



City of San Antonio, Texas

# **Comprehensive Annual Financial Report**

Fiscal Year Ended September 30, 2002

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# CITY OF SAN ANTONIO



## TEXAS

### COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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***City of San Antonio  
Texas***

***Introductory Section***

***(Unaudited)***

**CITY OF SAN ANTONIO, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For Year Ended September 30, 2002**

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# CITY OF SAN ANTONIO

P.O. BOX 839966  
SAN ANTONIO, TEXAS 78283-3966

March 14, 2003

To the Honorable Mayor and City Council:

It is my pleasure to present the City of San Antonio's (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2002. Through our dedication and commitment to excellence, the City maintained its bond ratings with the nationally recognized rating agencies: Fitch, Inc. at AA+, Standard & Poor's Public Finance Ratings Services, a division of McGraw-Hill Companies, Inc. at AA+, and Moody's Investors Service, Inc. at Aa2. The ratings reflect strong financial management and position with continued tax base growth for the foreseeable future.

This report is prepared and presented by the City's Finance Department. Accordingly, the responsibility for the accuracy, completeness and fairness of the data and presentation, including all disclosures, rests with the management of the City. The public accounting firms KPMG LLP, Leal & Carter PC, and Robert J. Williams, CPA, have audited the financial statements contained herein. As reflected in the independent auditors' report, the City's financial statements are presented fairly in all material respects.

The CAFR is presented in three sections: introductory, financial, and statistical.

- The introductory section contains the transmittal letter, a copy of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, the City's organizational chart, and a list of principal officials.
- The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), the basic financial statements, which consist of government-wide and fund financial statements and notes to the financial statements, other required supplementary information other than MD&A, and other supplementary information.
- The statistical section consists of selected financial and demographic information presented on a multi-year basis.

In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, and the State of Texas Single Audit Circular. The independent auditors' report on the basic financial statements, management's discussion and analysis (required supplementary information), required disclosures and schedules are included in the financial section of this CAFR. The Independent Auditors' Report along with other required reports and schedules mandated by the Single Audit Act Amendments of 1996, OMB Circular A-133, and the State of Texas Single Audit Circular are in separate documents. As in the past, the City will prepare and submit recommendations on any single audit findings of noncompliance with applicable regulations for corrective action in order to achieve compliance in the future.

As noted above, included in the financial section of the CAFR is Management's Discussion and Analysis (MD&A) which presents a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter complements MD&A and should be read in conjunction with it. The City of San Antonio's MD&A can be found immediately following the report of the independent auditors.

## THE REPORTING ENTITY AND CITY SERVICES

### Reporting Entity

The City is a home rule city that was incorporated in 1837 and chartered in 1951. It is structured as a Council-Manager form of government with a Mayor and ten Council Members each serving two-year terms, limited to two consecutive terms. San Antonio is located in South Central Texas, approximately seventy-five miles south of the state capital of Austin and serves as the county seat for Bexar County. As of September 30, 2002, the City's geographic area was approximately 430.19 square miles. The United States Census Bureau cites the City as the third largest city in the state of Texas and ninth largest city in the country. The estimated population grew from 1,226,250 in fiscal year 2001 to 1,241,100 in fiscal year 2002, an increase of 1.21%.

Pursuant to the reporting standards contained in Governmental Accounting Standards Board (GASB) Statement No. 14, "The Reporting Entity", other related entities are included in the CAFR as blended or discretely presented component units. Blended component units are those entities that are considered as part of the City's operations but are legally separate entities. Those entities are the City of San Antonio Health Facilities Development Corporation, the City of San Antonio Industrial Development Authority, the San Antonio Fire and Police Pension Fund, the San Antonio Fire and Police Retiree Health Care Fund, and the City of San Antonio Texas Municipal Facilities Corporation.

Entities that require discrete presentation are the San Antonio Development Agency (SADA), the City of San Antonio Education Facilities Corporation (SAEFC), the Greater Kelly Development Authority (GKDA), the San Antonio Housing Trust Foundation, Inc. (SAHTF), the San Antonio Local Development Company, Inc. (SALDC), Brooks Development Authority (BDA), the San Antonio Water System (SAWS) and City Public Service (CPS). SAWS and CPS are independently managed, municipally owned utility systems that operate under quasi-independent boards of trustees.

For additional details on each of these entities and the basis for their respective presentation in our financial report, please refer to the Financial Section, Footnote No. 1, entitled "Reporting Entity".

### Services

The City provides a vast array of municipal services. These services include but are not limited to fire and police protection, street and sidewalk maintenance, libraries, parks, and solid waste disposal. In addition, the City maintains preventive health services, and facilitates economic and neighborhood development. These services are funded from various sources which include ad valorem taxes, hotel/motel tax, sales taxes, grants, user fees, revenues from municipally owned utilities, and bond proceeds.

City Public Service (CPS) is one of the largest municipally owned utilities in the country. It provides electric and gas services to the greater San Antonio area. CPS operations and debt service requirements for capital improvements are funded by revenue derived from charges to its customers. The City Charter requires that the rates for user charges, board appointments, sale of assets, and bond issuances be approved by the City Council. In this report, CPS is included as a major discretely presented component unit. CPS is governed by a Board of Trustees which is comprised of four members appointed by City Council and the Mayor of the City as an ex-officio member. Additional information regarding CPS is discussed in the section "Infrastructure Development".

San Antonio Water System (SAWS) provides water, wastewater, chilled water, steam and reuse water services to the San Antonio area. SAWS is a City owned, separate consolidated entity that addresses water related issues in a coordinated and unified manner. Revenues from its customers fund SAWS' operations, capital improvements, and related debt service requirements. Similar to CPS, the City Charter requires that the rates for user charges, board appointments, sale of assets, and bond issuances be approved by the City Council. SAWS is governed by a Board of Trustees that includes the City's Mayor as an ex-officio member along with six members appointed by the City Council for four year staggered terms. SAWS is included as a major discretely presented component unit, and it is discussed further in the "Infrastructure Development" section.

## THE REPORTING ENTITY AND CITY SERVICES (Continued)

### Services (Continued)

The San Antonio Development Agency's (SADA) mission is to focus on housing with emphasis on activities inside Loop 410 while continuing the implementation of the City's Urban Renewal Program. It may designate for urban renewal such areas, as it deems advisable, subject to approval by the City Council and the federal agency that administers the overall program. A majority of SADA's funding is provided from the City as pass-through grants. The board of SADA is composed of seven members appointed by the City Council.

The City of San Antonio Education Facilities Corporation (SAEFC) formerly the San Antonio Higher Education Authority, was established in accordance with State law for the purpose of aiding non-profit institutions of higher education in providing educational and dormitory facilities. This corporation is authorized to issue revenue bonds for the purposes previously mentioned, but said bonds are not obligations of the City. An eleven member Board of Directors appointed by the City Council governs the SAEFC for two-year terms.

The Greater Kelly Development Authority (GKDA) is charged with the task of all issues related to the closure, conversion, redevelopment, and future use of Kelly Air Force Base. The GKDA is also responsible for reviewing all options related to the most appropriate uses of the property on the base and surrounding areas. An eleven member Board of Directors appointed by the City Council governs the GKDA.

The San Antonio Housing Trust Foundation, Inc. (SAHTF) was organized for the purposes of supporting charitable, educational and scientific undertakings, and to provide housing for low and moderate-income families. The SAHTF is also responsible for the administration and operations of the City's Housing Trust Fund, established for the same purpose noted above. An eleven member Board of Directors appointed by the City Council governs the SAHTF.

The San Antonio Local Development Company, Inc. (SALDC) was established in 1978 to help small businesses in South Central Texas realize business growth and job creation by facilitating access to a diverse package of intermediate and long-term loans. The SALDC administers the following loan programs: Small Business Administration (SBA) 504 Loan Program, SBA Microloan Program, Economic Development Administration (EDA) Revolving Loan Fund (RLF), Inner City Loan Program and the Housing and Urban Development (HUD) Enterprise Community Loan Program. The City Council appoints thirty-three Trustees to oversee SALDC, from which eleven members serve as the Board of Directors and govern the activities of the corporation.

Brooks Development Authority (BDA) was designed to improve mission effectiveness, reduce the cost of providing quality installation support, and promote economic development on Brooks Air Force Base and in the surrounding community. Dedicated funds will provide basic municipal services at the base while continuing to develop it as a technology and business park. An eleven member Board of Directors appointed by the City Council governs the BDA for two-year terms.

## ECONOMIC OVERVIEW

As a community, San Antonio has positioned itself for long-term growth and prosperity by successfully following a strategy to diversify its economy and improve quality-of-life for all citizens. City government has been an integral part by implementing "A Strategic Plan for Enhanced Economic Development" through the collaborative efforts of San Antonio, Inc., a group of economic development organizations within San Antonio. Furthermore, the City is undertaking on-going infrastructure improvements, neighborhood revitalization, and workforce development initiatives, as well as providing incentive, assistance and attraction programs that are geared to businesses of all sizes. Both government and citizens are working toward increasing the caliber of educational and economic opportunities, expanding arts and leisure choices, revitalizing older neighborhoods, and planning for overall growth in San Antonio. As a result of the North American Free Trade Agreement ("NAFTA"), San Antonio has been able to capitalize on international trade opportunities by becoming a distribution point and center for companies doing business in Mexico. San Antonio is the closest major U.S. city to Mexico's biggest markets, and it enjoys close cultural and business ties to that nation. San Antonio's leading industries include



## ECONOMIC OVERVIEW (Continued)

biomedical research and health services, international trade and distribution, information technology and security, telecommunications, tourism, financial services, and the military.

### Employment Sectors

The nonagricultural employment sectors distribution for the San Antonio metropolitan area as of September 2002, according to statistics provided by the Texas Workforce Commission is as follows:

Industry Sector	Percentage of Total Employment	Jobs Gained/(Lost) (9/01 to 9/02)	%Increase (9/01 to 9/02)
Services	32.4%	2,500	1.1%
Retail & Wholesale Trade	24.0%	(1,800)	(1.0%)
Government	18.4%	2,800	2.1%
Manufacturing	7.2%	(700)	(1.3%)
Finance, Insurance & Real Estate	7.0%	(1,000)	(1.9%)
Construction	6.0%	1,600	3.7%
Transportation, Communication, & Public Utilities	4.7%	(2,100)	(5.8%)
Mining	0.3%	200	9.1%
<b>Total</b>	100.0%	1,500	.2%

The total number of San Antonio's nonagricultural jobs in September 2002 was 733,000. The City's largest employment sectors are Services, Retail and Wholesale Trade, and Government, which comprise about 75% of the area's employment. The largest growth in raw employment came in the government sector with a gain of 2,800 jobs (or 2.1%), while the largest percentage growth came in the mining industry with a growth rate of 9.1%, although this was from a small base of employment. Of the sectors with a more substantial employment base, construction showed the largest percentage increase in employment with an increase of 3.7%. The largest decline in raw employment came in the transportation, communication, and public utilities industry with a loss of 2,100 jobs, resulting in the largest percentage decline of (5.8%).

The City's health care sector, a component of Services, provides major health care services through its medical, research, education, and development facilities. The City's biomedical industry continues to dominate as the largest industry segment in the San Antonio economy. The Greater San Antonio Chamber of Commerce's Biomedical Economic Impact Study 2001 announced that this industry had a total direct economic impact of \$8.1 billion in 2000. This industry provides 14% of all jobs in the San Antonio area, employing more than 96,000 with an annual payroll of \$3 billion. Between 1990 and 1999, the economic impact of the health care industry nearly doubled (97.2% increase). Additionally, employees in the health care sector earn more than the San Antonio average wage.

San Antonio is unique because our research institutions have a strong array of expertise in basic and applied research talents in instrumentation, pharmacology, diabetes, cancer therapy, transplant medicine, geriatric medicine, dental medicine, specialized medical instruments, and information security technologies. These strengths provide San Antonio with a rich collection of world-class research facilities, affording us the opportunity to capitalize and leverage this significant combination of resources.

Some of the biomedical assets that the City possesses are: the Air Force Center for Environmental Excellence (AFCEE), BioMedical Enterprises, Biomedical Development Corporation, BioNumerik, Brooke Army Medical Center (BAMC), Brooks City-Base, the Cancer Therapy and Research Center (CTRC), Conceptual Mindworks, Inc, DPT Laboratories, ILEX Oncology, Inc., Incell Corporation, KARTA Technologies, Lipitek International, Mission Pharmacol, Probetex, OsteoBiologics, Philips Semiconductor of San Antonio, Research Dynamics, Inc., Sony Semiconductor Company of America, Southwest Foundation for Biomedical Research (SFBR), Southwest Oncology Group, Southwest Research Institute (SwRI), TEKSA Innovations, Texas Blood and Tissue Center,

## ECONOMIC OVERVIEW (Continued)

### Employment Sectors (Continued)

Texas Research Park Foundation, the University of Texas at San Antonio (UTSA), University Hospital, University of Texas Health Science Center (UTHSC), USAF School of Aerospace Medicine, U.S. Army Institute of Surgical Research, U.S. Army Medical Department Center and School, and USAF Wilford Hall Medical Center.

The University of Texas at San Antonio is adding two new significant assets to this impressive list of biomedical assets. UTSA is constructing a bioprocessing facility at Brooks City-Base that will house labs containing two or three fermenters ranging from about 40 liters to possibly 350 liters, a purification/downstream processing area and a cell culture area, a 2,400 square foot common lab with smaller fermenters for training and research, and an analytical lab.

UTSA will begin construction on a new \$83 million Biotechnology, Science and Engineering building. The facility will consist of 227,000 square feet for lecture halls; research and teaching laboratories; and seminar, conference, and classrooms to accommodate students in the College of Sciences and Engineering. The facility will also be home to the new doctoral degree programs in cell and molecular biology, computational biosciences, and bioengineering. The completion and eventual operation of the facilities will be vital to the continued development of the health and biotechnology industries in San Antonio.

Additionally, San Antonio has three major military hospitals which have positively impacted the City for decades. The United States Air Force's largest medical facility, Wilford Hall Medical Center (WHMC) is an acute care facility, which provides complete medical care to military healthcare beneficiaries in the south central United States, and specialized care to patients from all over the world. WHMC contains the only Eye Bank within the Department of Defense and operates the only military programs for liver transplantation and allogenic bone marrow transplantation. The Brooke Army Medical Center (BAMC) is an ultra modern, state-of-the-art acute care facility that provides trauma care and graduate medical education, and contains the world-renowned Institute of Surgical Research Burn Center. Both WHMC and BAMC support the surrounding local communities by participating fully in the trauma and emergency medical care of the San Antonio and South Texas civilian communities. The Audie L. Murphy Memorial Veterans Hospital is an acute care facility and supports a nursing home, the Spinal Cord Injury Center, an ambulatory care program, and The Audie L. Murphy Research Services, which is dedicated to medical investigations. It serves forty-one counties and a veteran population of 300,000 throughout South Texas.

Yet another significant industry within San Antonio is the information technology and security industry. According to a recent study of the economic impact on San Antonio, that was commissioned by the Greater San Antonio Chamber of Commerce, this industry employs over 11,000 people with an annual payroll of \$500 million and has an economic impact of \$3.4 billion. With organizations such as the Air Intelligence Agency and the Center for Infrastructure Assurance and Security at the University of Texas at San Antonio, the city has a reputation for excellence in information security.

Past terrorist events resulted in unforeseen national defense strategies. The nation is faced with having to protect its citizens from the direct effects of biological warfare. In addition, a more concentrated effort to mitigate or prevent biological terrorism has been generated in the information security industries. As a result of San Antonio's rich biosciences and information technology industries, the City has positioned itself to surface as the world's foremost Homeland Security Solutions City. A collaborative effort among the numerous organizations within San Antonio with skills and expertise in homeland security will play a pivotal role in making San Antonio a key player in the nation's homeland security efforts and build upon the city's designation as the second-most prepared city in the country behind New York City.

The hospitality industry represents another major component of the Services sector. San Antonio's natural, historic, cultural and recreational attractions have long made it one of the top vacation and convention destinations in the country. This has resulted in an increase in tourism activity, economic impact and employment

## **ECONOMIC OVERVIEW (Continued)**

### **Employment Sectors (Continued)**

opportunities related to the hospitality industry. The City's proactive management practices and marketing efforts resulted in approximately 1,153 reported conventions in fiscal year 2002, with 1,026,938 associated room nights and an estimated economic impact of \$555.1 million. The San Antonio Convention & Visitors Bureau (SACVB) has booked approximately 4.5 million room nights from November 2002 through 2022.

The military continues to represent a principal component of the San Antonio economy. As of September 30, 2002, the military employed approximately 73,189 military, civilian and part-time guard and reserve personnel with an estimated direct economic impact of about \$4.8 billion. Three major active installations comprise the military sector: Lackland Air Force Base, Randolph Air Force Base, and U.S. Fort Sam Houston. In addition, Brooks Air Force Base property was conveyed to the Brooks Development Authority (appointed by City Council) on July 22, 2002, with the resident military missions remaining as tenants in the newly established Brooks City-Base Technology and Business Center.

The military presence within San Antonio will be further enhanced with the relocation of US Army South to Ft. Sam Houston. The relocation of this prestigious organization to the city is expected to take place in 2003 and will bring approximately 500 jobs with an estimated annual payroll exceeding \$42 million and an annual economic impact of \$200 million.

Additionally, San Antonio's stature as a location for corporate headquarters is growing. The City has attracted some major business enterprises to locate their operations in the City. Toyota Motor Manufacturing North America, Inc., has entered into an agreement with the City to invest \$400,000,000 in an automotive manufacturing plant that will produce 150,000 Tundra trucks per year and employ 1,800 employees. Construction is scheduled to commence in 2003 with production occurring in 2006. Infonxxx, which is a call center that provides directory assistance services announced that it will expand its operation in San Antonio by employing an additional 2,000 workers. The company plans to complete this expansion by December 2003. The City has also entered into an agreement with a large developer to develop a major area in the City to include a PGA Resort with two golf courses, the construction of a major hotel, and construction of residential homes. The development area is in the Northeast part of the City, outside the City limits but within the Extraterritorial Jurisdiction Area and covers approximately 2,597.6 acres of land.

United Services Automobile Association (USAA), a leading insurance agency, continues to be the City's largest private sector employer. Clear Channel Communications, Inc., also headquartered in San Antonio, is a global leader in the out-of-home advertising industry with radio and television stations, and other entertainment venues in forty countries around the world. New headquarters have also been built for San Antonio's energy company, the Valero Energy Corporation, which merged recently with Ultramar Diamond Shamrock. Clarke American Checks, the third largest producer of checks and financial forms in the country with headquarters in San Antonio, expanded its local presence in 1999 with the addition of a major customer service center.

San Antonio is being recognized as a center for national and international business service operations. This is evidenced by companies such as J.P. Morgan, Chase, Citicorp, World Savings & Loan, Boeing, QVC, Kraft, and other companies which have established substantial business operations in San Antonio that provide billing services, technical and communications services, financial services, customer service and other functions to their entire organizations.

### **Business Climate and Outlook**

In response to the terrorism events of September 11, 2001, the Mayor appointed a Blue Ribbon Commission on San Antonio's Economy. The commission was comprised of seven task forces that evaluated the local economy and made recommendations to counter the economic slowdown resulting from the terrorism.

## **ECONOMIC OVERVIEW (Continued)**

### **Business Climate and Outlook (Continued)**

San Antonio's healthy economy and positive business climate are enhanced by elements key to continued economic growth, such as an advanced telecommunications system, significant recent accomplishments in the area of higher education, and strong workforce development programs. Also enhancing San Antonio's business appeal is the high quality-of-life the City offers and a cost-of-living that is well below the national average. San Antonians enjoy first-rate medical services, a convenient and efficient airport, an excellent highway system, mild weather, and superb recreation choices, including championship golf courses, theme parks, historical attractions, museums, professional sporting attractions and a lively performing arts environment.

The City's Economic Development Department (EDD), in coordination with the private, non-profit San Antonio Economic Development Foundation, continues to attract major corporations to the area and help local businesses expand. Although the nation's economy experienced a downturn in 2002, job growth continued in San Antonio with approximately 2,017 new jobs created through economic development programs. Companies that located or expanded business operations in San Antonio in 2002 include J.P. Morgan, Chase, Boeing, United Health, San Antonio Aerospace, Inc., and World Savings. Another 100 automotive manufacturing jobs are already confirmed for 2003 with the recent announcement by Royal Oak Industries to establish manufacturing operations in San Antonio.

The Industry Development Division of the City's EDD continues to focus on working with the Greater Kelly Development Authority in the successful redevelopment of KellyUSA, formerly Kelly Air Force Base, which officially closed on July 13, 2001. EDD is also working with the Brooks Development Authority to make Brooks City-Base an economic success. In addition, EDD is working with Fort Sam Houston to explore ways that the City can help this local installation become more cost efficient, reduce infrastructure support costs, preserve jobs and enhance economic development opportunities.

#### KellyUSA

At KellyUSA, the Greater Kelly Development Authority (GKDA) continues implementation of the community's 1995 Initial Base Adjustment Strategy Committee strategic plan. To date, GKDA has successfully created over 5,300 new commercial jobs and leased out 75% of the available and marketable space with sixty-tenant leases executed. Commercial tenants include major aerospace industry players such as Boeing, Lockheed-Martin, Chromalloy, Standard Aero, General Electric, General Dynamics, and Pratt & Whitney. Boeing employs over 2,000 personnel as they continue to expand and grow their operations at KellyUSA. Over the past two years, GKDA has also completed over \$105 million in new construction and facility upgrades and has planned a \$108.6 million capital improvement program for the next five years. As part of these improvements, in April of 2002 KellyUSA opened the Advanced Technology Center which provides a curriculum in avionics.

With the completion of the City's Air Cargo Study in July 2002, planning is also underway to establish air cargo operations at KellyUSA. In addition, GKDA is partnering with the City, the Port of Corpus Christi, the Texas Department of Transportation and major railroad companies to establish inter-modal operations at KellyUSA with critical linkage to the planned Kelly Parkway. The success of this initiative is key to creating Inland Port San Antonio and establishing San Antonio as a major center of logistics and distribution for NAFTA trade.

#### Brooks City-Base

Congress, by passing special legislation in October 1999 which was then amended in September 2001, granted the Air Force special authority to improve mission effectiveness and reduce the cost of providing quality installation support at Brooks Air Force Base (AFB). This special authority allowed Brooks AFB to transfer and lease back federal land in a more streamlined manner without being subjected to some existing federal property statutes and presents an opportunity for high quality, multiple-use development in a unique public-private partnership with the Air Force. Development of underutilized real property, including sale or lease of Air Force assets, is part of an integrated strategy for transforming the base into a technology and business center.

## **ECONOMIC OVERVIEW (Continued)**

### **Business Climate and Outlook (Continued)**

#### Brooks City-Base (Continued)

The Brooks City-Base Project is a collaborative effort between the U.S. Air Force (the “Air Force”) and the City designed to retain the Air Force missions and jobs at Brooks AFB, improve mission effectiveness, assist in reducing operating costs, and promote and enhance economic development at Brooks AFB and in the surrounding community. Both the City and the Air Force are partnering to utilize City incentives and existing Brooks AFB resources to create the Brooks Technology & Business Park (the “Park”), a facility that will foster the development of key targeted industry sectors, such as health services and biotechnology.

The Park was officially established on July 22, 2002, which resulted in the transfer of 1,310 acres of land and improvements conveyed by Brooks AFB to the Brooks Development Authority (“BDA”). The Air Force is the Park’s anchor tenant and is leasing back additional facilities, as necessary, to perform its missions. The City is now providing municipal services to include fire and police services. Electric, gas and water utilities have been transferred by the BDA to City Public Service (CPS) and the San Antonio Water System (SAWS), City-owned utilities. The BDA has also contracted with Grubb & Ellis, a national real estate developer and property management firm to manage Park facilities and to facilitate the park in the attraction of new tenants and jobs.

#### Fort Sam Houston

In April 2000, the U.S. Army (the “Army”) entered into a partnership with the private organization, Fort Sam Houston Redevelopment Partners, Ltd. (“FSHRP”), for the redevelopment of the former Brooke Army Medical Center and two other buildings at Fort Sam Houston. The three buildings total about 500,000 square feet in space and are located in a designated historic district, had been vacant for some time and in a deteriorating condition. On June 21, 2001, FSHRP signed a 50-year lease with the Army to redevelop and lease the property to commercial tenants. FSHRP is currently seeking tenant sublease commitments necessary to secure financing for an estimated \$50 million in renovations to the buildings. On September 17, 2002, the U.S. Army announced that U.S. Army South (USARSO) will relocate from Puerto Rico to Fort Sam Houston in 2003. The relocation will bring up to 500 new jobs to San Antonio with an annual economic impact of approximately \$20,000,000. The Army intends to lease facilities from the FSHRP clearing the way for renovation to begin on these historic facilities. The continued success of this unique public-private partnership at Fort Sam Houston is critical to assisting the Army in reducing infrastructure support costs, preserving historical assets, promoting economic development opportunities and generating net cash flow for both the Army and FSHRP. This initiative supports the City’s economic development strategy to promote development in targeted areas of the City, leverage military installation economic assets to create jobs, and assist our military installations in reducing base support operating costs. The Army also intends to extend this initiative to include other properties at Fort Sam Houston currently available for redevelopment.

#### San Antonio Technology Accelerator Initiative (SATAI)

SATAI is a collaborative effort that identified opportunities for economic development for San Antonio's technology industries. Four technology cluster groups (Biosciences, Information Technology, Telecommunication, and Aerospace) were identified as San Antonio's competencies. Today SATAI has 1,100 members and is instrumental in developing and implementing initiatives that accelerate entrepreneurial job creation and increase community income through the growth of the technology sector of the San Antonio economy. SATAI promotes San Antonio technology through its new web site, airport advertisements, speaker's bureau publications, press opportunities, a regional technology calendar and, by working with the Convention and Visitors' Bureau to attract technology conventions to San Antonio.

#### San Antonio, Inc.

San Antonio, Inc. was established by City Council ordinance on May 24, 2001 for the purpose of providing a higher level of coordination and collaboration on economic development initiatives. Executive and volunteer leaders from more than sixty local economic development organizations serve in the organization’s Directors/Resource Tier, Executive Board, and the Board of Governors. Member organizations include local

## ECONOMIC OVERVIEW (Continued)

### Business Climate and Outlook (Continued)

#### San Antonio, Inc. (Continued)

chambers of commerce, business and technology parks, small business advocates, regional and international trade organizations, university systems and local colleges, public schools, the City of San Antonio, Bexar County, and the Alamo Area Council of Governments. San Antonio, Inc. is responsible for implementation and regular updates of the 2001 Strategic Plan for Enhanced Economic Development, a comprehensive economic development strategic plan designed to leverage certain targeted driver industries, maximize San Antonio's location advantages in South Texas, facilitate the business development process, ensure small business opportunities in the new economy, and promote revitalization in targeted areas of our community. During fiscal year 2002, San Antonio, Inc. convened the initial meetings of its Executive Board, hired a full-time staff coordinator through the City's economic development department, developed a comprehensive tracking system for 44 current strategies in the strategic plan and initiated a process for annual updates and revisions of the strategic plan, which culminated in the first San Antonio Inc. Annual Meeting & Economic Roundtable on February 25, 2003.

#### Aviation Industry Development

The Aerospace Industry continues to be a growing segment of the San Antonio economy with the presence of major industry players such as Boeing, Lockheed Martin, Pratt & Whitney, Cessna, General Electric, Sino Swearingen, Raytheon, Standard Arrow and Chromalloy. A recently completed study, funded through the Greater San Antonio Chamber of Commerce Aerospace Committee, determined that the overall annual economic impact of the Aerospace Industry in San Antonio is over \$2.5 billion. In addition, the industry employs about 10,000 people who earn an average annual wage of \$38,593. The City expects this industry to continue growing particularly in the areas of maintenance, repair and overhaul and in air cargo.

The City has three airport facilities: San Antonio International Airport, Stinson Municipal Airport and KellyUSA. The International Airport and Stinson Airport are owned by the City and operated by the City's Aviation Department. At KellyUSA, the GKDA has entered into a joint use agreement for use of the KellyUSA runway for commercial air operations. The airport facilities provide San Antonio with a variety of properties, facilities and assets that comprise the nucleus for a viable and expanding aerospace industry. The City has, therefore, identified aerospace as a targeted driver industry in its 2001 Strategic Plan for Enhanced Economic Development.

To support the workforce requirements for growing and sustaining a viable aerospace industry, the community partnered to establish the Alamo Area Aerospace Academy (AAAA), which opened in August 2001. The City has funded the AAAA with \$200,000 in fiscal year 2002 and another \$150,000 in fiscal year 2003. The inaugural class enrolled 121 high school students of which 94 graduated in May 2002. Of the 25 seniors in this class, 15 are now employed within the aerospace industry in San Antonio. There are currently 127 students in the fiscal year 2003 AAAA class. Complementing this workforce initiative is the Advanced Technology Center that opened at KellyUSA in April 2002 and provides an avionics curriculum. The City in partnership with the Alamo Community College District funded the \$3 million facility renovation project housing the Academy.

The City is also in the process of implementing the November 2000 Aviation Strategic Plan. The Plan identifies economic development opportunities at KellyUSA, San Antonio International Airport and Stinson Municipal Airport, specifically in the four business areas of: (1) air cargo; (2) aircraft maintenance, repair and overhaul (MRO); (3) general aviation; and (4) air passenger service. The Aviation Department completed an Air Service Development Program in October 2001 that identifies opportunities for enhancing air passenger service at San Antonio International. In addition, an Air Cargo Study was completed in July 2002 and has identified opportunities for air cargo growth both at KellyUSA and San Antonio International Airport. Aviation is also one of the four industry cluster groups identified in the San Antonio Technology Accelerator Initiative (SATAI).



## **ECONOMIC OVERVIEW (Continued)**

### **Business Climate and Outlook (Continued)**

#### New Business Prospects

As of the third quarter of 2002, the San Antonio Economic Development Foundation, Inc., reported the City had 84 active business prospects. The new businesses are categorized as business services, financial services, fabricated metal products, industrial machinery, electrical equipment, rubber and plastics, nondurable distribution, durable distribution, engineering and professional services, printing and publishing, custom software, engineering and research, transportation equipment, miscellaneous manufacturing, chemical and pharmaceutical and others.

#### Downtown Development Projects

The centerpiece of downtown revitalization is the Houston Street Redevelopment Project. This effort was spearheaded by Street Retail San Antonio, L.P., which acquired 14 buildings on E. Houston Street between the San Antonio River Walk and Presa Street. The developer invested more than \$100 million to create a retail and entertainment district in the heart of downtown. Public improvements included, among other things, river walk, street, sidewalk, landscaping and pedestrian way improvements. Private improvements included renovations to eight buildings located on Houston Street as well as building the new 214-room Hotel Valencia. The planned private developments include specialty retail outlets, restaurants, office space, housing units, clubs and other venues. In addition to the aforementioned improvements, the City recently completed a 704 space multi-level parking garage in the area of Travis and St. Mary's streets, which has alleviated day time corporate parking demand and increased parking for the hotels, restaurants, and night attractions. In addition in 2003, the build-out of the new 100-room Watermark Hotel and the 350-room La Quinta Inn & Suites hotel projects will reshape the downtown skyline. The City will continue its efforts to facilitate the development of a convention headquarters hotel adjacent to the recently enlarged Henry B. Gonzales Convention Center.

#### International Trade

The Directory of San Antonio Exporters and Support Organizations (published by the City's International Affairs Department) has identified over 700 local companies that export to other nations or provide export assistance.

During fiscal year 2002, the International Affairs Department worked with 122 international delegations that included 2,165 delegates that visited the City. Delegations visited San Antonio from Germany, Israel, Mexico, Japan, Canada, Argentina, Thailand, Qatar, Luxemburg, Spain, Canary Islands, Ireland, China, France, Russia, Czech Republic, Great Britain, Italy, South Africa, and Costa Rica. The value of exports has increased from \$563.9 million in 1993 to \$2,033.7 million in 1999, the most recent year for which such information is available.

As of September 30, 2002, the North American Development Bank (NADB) had authorized loans and grants totaling approximately \$458.7 million for the development and financing of 52 infrastructure projects throughout the 10 states that comprise the U.S.-Mexico border region. These projects represent a total investment of approximately \$1.3 billion, and are benefiting an estimated 6 million border residents in the United States and Mexico.

The NADB has been the catalyst to a significant and unprecedented level of investment in environmental infrastructure along the U.S.-Mexico border. NADB participation in these projects represents about 34 percent of the total investment in these projects. Of these, 12 have been completed, 24 are currently under construction or in various stages of completion, and 16 are in the design or bidding stage and are expected to start construction this year. In the area of local capacity building, the NADB to date has authorized technical assistance under its Institutional Development Program (IDP) for 106 projects in 68 communities on both sides of the border.

### **Infrastructure Development**

The City recognizes its obligation to address infrastructure needs and to provide the services required to maintain and continuously improve the living standards of its citizens. Infrastructure, the basic framework or underlying foundation provided by government to support a community's basic needs, including its various components that ensure economic activity, safety, education, and quality of life, are discussed below.

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components

##### Street/Highway System

San Antonio is located at the crossroads of two important Freeways – IH-10 (running east-west) and IH-35 (running north-south) – and is located mid-way between the East and West coasts. San Antonio's roadway system, consisting of approximately 4,242 roadway miles, facilitates the movement of commerce within and through the City. Freeway arteries that intersect the downtown business district include IH-10, IH-35, IH-37, US-90, and US-281. There are three freeway loops including a downtown loop, IH 410, and Loop 1604. Recently completed or ongoing improvements include the widening of segments of Loop 1604, the construction of new interchanges on US-281, IH 410 and IH-10, and a new transportation corridor, the Wurzbach Parkway. Additionally, the Texas Department of Transportation is currently planning the construction of a four-level IH 410/US-281 interchange. In addition the City has implemented the first reversible lane project to mitigate traffic congestion around the SBC Center, which is a mid-size, multi-purpose arena for the San Antonio Spurs Basketball Team, during events. The Texas Department of Transportation's TransGuide or "smart highway" project has been operational in San Antonio since 1995, with ongoing additional expansions and equipment updates. This traffic management system utilizes high-speed computer technology to inform drivers about traffic conditions ahead, thereby enhancing safety, reducing congestion, and providing for more efficient traffic flow. In addition, TransGuide technology incorporated the Amber Alert System, a system used to alert citizens about missing children.

##### Public Safety

The improved Dispatch Facility, constructed in 2000 and funded with 1998 Certificates of Obligation, will accommodate the requirements for a new public radio system. Currently in the final stage of field testing, it is scheduled to become operational in the first quarter of 2003.

The Police Department continues implementation of the Police Rolling Staffing Plan. The Plan outlines goals to add new police officer positions and civilian positions while redirecting other police officer positions to patrol functions. The cost of implementation over fiscal years 2002-2006 is \$45 million. The 2001 Plan was implemented in order to stay proactive with potential rising property and violent crime rates along with projections of an unusual number of police officer retirements, which would leave potential gaps in police staffing. This potential increase in crime is due to recidivism, as a result of early prison releases. With the continuation of the 2001 Plan, the new Patrol Availability Factor goal for fiscal year 2003 will be 39.56% along with the continuation of dedicated directed patrols.

The 1999 Bond Program earmarked \$17.4 million for three Vision 2001 technology systems: Field Entry Reporting, Optical Disk Storage and Retrieval, and Supplementary Report Management System. This "Public Safety Integrated Technology System" will provide a comprehensive information management system to increase police officer and detective effectiveness while enhancing customer service. The system will enable officers to enter reports from the field, as well as improve the filing, preparation and storage of important case information. The Police Department currently has a contract with Open Systems Group for the development of a software base for this system. In fiscal year 2002, \$4,074,250 was budgeted for this project.

1999 General Obligation Bonds totaling \$3,009,000 were allocated to Police Substation Expansion Projects for West, South, North, and Northwest Substations. In fiscal year 2002, \$2,935,000 was budgeted for the expansion projects. The Police Substation Expansion Projects continue as scheduled; expansion of five police substations is necessary due to annexation, population growth, and crime trends in order to improve the ability to provide neighborhood policing and improved service delivery. Construction of the North, South and West Substations will be complete in January 2003. The East and Northwest Substations will be complete in December 2003.

## **ECONOMIC OVERVIEW (Continued)**

### **Infrastructure Development (Continued)**

#### Basic Infrastructure Components (Continued)

##### Public Safety (Continued)

In fiscal year 2002, the Police Department continued to provide and improve citizens' convenient access to information and investigative services at Police Substations through enhanced data availability on the Department's Website. Police reports are available to the public at the Police Headquarters Records Office and at the four City of San Antonio Community Link Centers.

The City continues to promote and provide for its Public Safety infrastructure by allocating funding through the budget process for police, fire and Emergency Medical Service (EMS). As of September 30, 2002, Public Safety Infrastructure included 6 police stations, 48 fire stations, which house 48 engine companies, 18 truck companies, 8 brush trucks, 8 Fire command units, 5 EMS command units, 25 full-time EMS units and up to 7 peak period units per day, increasing to 10 units during large citywide special events such as Fiesta and the New Year's Eve celebration.

With regard to Fire and EMS services, fiscal year 2002 included the continued implementation of the Fire Department Master Plan, a five-year rolling plan of comprehensive improvements targeted to enhance services provided such as fire suppression, fire prevention, and emergency medical services. Improvements implemented included continuation of the department's apparatus replacement program. Additionally, the First Responder program was continued with the addition of 1 van, bringing the total to 16. This program is part of a Fire Department initiative to increase the useful life of the more expensive firefighting apparatus. Technology and equipment enhancement upgrades related to Laptop Mobile Data Terminals (LMDTs) were continued in fiscal year 2002.

##### Parks and Recreation Department

As of September 30, 2002, the City's Parks and Recreation infrastructure included over 187 neighborhood, community and large urban parks, numerous sports complexes, 26 recreation centers, 23 swimming pools, and other special facilities, such as the River Walk, Botanical Gardens, Tower of the Americas, Spanish Governor's Palace, Market Square and La Villita. The total park area covers 13,867 acres. During fiscal year 2002, approximately 25 Parks and Recreation capital improvement projects were completed at a construction cost of over \$6.2 million, and an additional 84 Parks and Recreation capital improvement projects were under construction, bidding, or design at the end of the fiscal year.

On May 6, 2000, San Antonio voters approved the collection of an additional 1/8 cent sales and use tax aggregating up to \$65 million to purchase and develop as appropriate; (a) large tracts of parkland containing sensitive natural areas over the Edwards Aquifer (\$5 million), and (b) linear tracts of land for greenway development along Leon Creek and Salado Creek (\$20 million), as well as a 10% operations and maintenance endowment for the Edwards Aquifer Parkland. The parks proposal was the only one of four ballot issues presented to voters on May 6, 2000 that was approved, and will be funded through a temporary 1/8 cent increase in San Antonio's sales and use tax. It is anticipated that the \$65 million will be remitted to the City by July 2004.

##### Planning Department

The City's Citizens Blue Ribbon Redistricting Committee met over the course of several months in fiscal year 2002 to implement a Re-Districting Plan based on the results of the 2000 Census. Numerous Geographic Information System (GIS) and Demographic products were completed for this committee, including staff analysis on population, race, and historic trends. These products supported the submittal of the proposed Re-Districting Plan to the Department of Justice (DOJ). After approval by the DOJ, the GIS Staff created a City-wide GIS Enterprise Data Set of the 2002 City Council Districts. This data is the first to be used by the City Clerk's Office to prepare for registration of City Council Candidates under the 2002 redistricting. After the election, this data will be used for all City information and business processes which service the citizens of San Antonio. During fiscal year 2002, the Southside Balanced Growth Initiative was initiated. The primary goal of this initiative is to

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Planning Department (Continued)

reverse the trend of disinvestments in the southern sector and encourage the balanced growth of the City. Currently outside the City limits, an 83.6 square mile area located 7.5 miles south of downtown will be annexed for limited purposes to extend land use and health safety regulations to the area. This initiative will establish a growth policy for south San Antonio that seeks to develop the area into an integral part of the City and create an overall scenario of sustainable development.

Additionally, this effort seeks to achieve the goals and objectives of the 1997 Master Plan, the 2001 San Antonio Housing Master Plan, and the Community Revitalization Action Group (2000) by utilizing Smart Growth Principles. Through this initiative, the City will encourage the development of attractive, sustainable neighborhoods that are pedestrian oriented and support a mix of uses, provide a range of quality housing options, protect natural resources and open space, support walking, cycling, and bus/rail transit alternatives to driving, revitalize and support existing communities, generate job opportunities, promote quality schools, attract investors and encourage development by making investment easier and profitable, and reduce infrastructure costs by developing closer to the urban area and coordinating development infrastructure. The City added three new Historic Districts, bringing the total of Historic Districts in San Antonio to nineteen. A recent study of the Economic Impact of Historic Designation in San Antonio by Rutgers University showed that Historic District designation increased property values 18% over the normal inflation rate compared neighborhoods of similar character not designated historic. Currently three additional neighborhoods are in various stages of designation. Two of those should be through the designation process by the end of the year.

During the past year the City expanded its Riverwalk areas and created six new River Overlay Districts. The new districts extend along the San Antonio River from the headwaters to the southernmost of San Antonio's Spanish Missions. The overlays regulate development and use of properties using criteria specific to the historical and design setting of each district and will also enhance the City's ability to protect the unique character of the San Antonio River as well as the neighborhoods and businesses near the river.

The Historic Preservation office is also working on an architectural survey of the original thirty-six square mile city limits. The survey, utilizing volunteers from neighborhoods and advocacy groups, is a three-year project to document and identify potential landmarks and historic districts.

The Neighborhood Improvement Challenge Program (NICP) provides neighborhood-based organizations the opportunity to implement small, public improvement projects in partnership with private groups. In fiscal year 2002, the NICP awarded a total of \$161,696 to 107 projects ranging from landscaping, murals, park enhancements, and special topics series that include newsletter design, advertising, and promotion and distribution. Although the NICP was not funded for fiscal year 2003, previous funding will enable the scheduling of additional special topics workshops series to be held in the spring of 2003.

As part of the implementation of the Community Building and Neighborhood Planning Program (CBNP), three neighborhood plan projects were initiated. These include the Hays Street Bridge Rehabilitation Project, the Austin Highway Hazard Elimination Safety Program (HESP) and the Olmos Creek Greenway Project. The Hays Street Bridge Project was awarded \$2,879,293 through the Texas Equity Act for the 21st Century (TEA 21) enhancement program in 2002. In an effort to raise funds for the City's match, the Planning Department will continue its involvement to coordinate with the citizens committee and to assist with public involvement with Texas Department of Transportation (TxDOT).

## **ECONOMIC OVERVIEW (Continued)**

### **Infrastructure Development (Continued)**

#### Basic Infrastructure Components (Continued)

##### Planning Department (Continued)

Through a Hazard Elimination Safety application submission for TEA 21 funds, \$475,000 was awarded to the San Antonio TxDOT district for the construction of medians on Austin Highway from Eisenhower to Rittiman. The Planning Department, Neighborhood Action Department and the Public Works Department are coordinating the preliminary design and public involvement process with TxDOT.

In April 2002, the City Council adopted a Universal Housing Design Ordinance requiring all single-family houses, triplexes, and duplexes built with City financial assistance to be designed and constructed to accommodate the life span of the owners regardless of disability.

As part of the City's commitment to comply with the 1990 American's with Disabilities Act, 211 facilities have been modified for accessibility and 73 are currently under design. The long-range Building Access Modification Plan (BAMP) projects that an additional 27 facilities will be modified by January of 2005.

##### Library Facilities

The San Antonio Public Library System consists of a Central Library facility, 18 branches, 1 joint-use facility at the Ronald Reagan High School (a unique partnership between the City and Northeast Independent School District), and 1 bookmobile. The Central Library and 9 of the 18 library branches offer services seven days and three evenings a week. The Ronald Reagan High School/Public Library is open after school hours and evenings four days a week, Saturday and Sunday during the day. The remaining 9 library branches are open 6 days and 4 evenings a week. The addition of Thursday evening hours at these locations provided increased library access and usage for families, students and neighborhood residents.

Over 3.4 million people utilized the Library's collection of print and non-print resources in fiscal year 2002. Citizens borrowed 6% more materials and asked 29% more reference questions than in the prior year. Usage of the Library's website, including access to full-text electronic information databases increased 64% over the previous year. Over 152,000 citizens attended library programs designed for a variety of audiences including children, families and adults.

##### Airport System

The City's airport system consists of the San Antonio International Airport and the Stinson Municipal Airports, both of which are owned by the City and operated by its Department of Aviation.

San Antonio International Airport is located on approximately 2,600 acres of land that is adjacent to Loop 410 freeway and U.S. Highway 281, and is eight miles north of the City's downtown business district. The International Airport consists of three runways with the main runway measuring 8,502 feet and is able to accommodate the largest commercial passenger aircraft. Its two terminal buildings contain 28 second level gates. Presently, domestic air carriers providing service to San Antonio are American, America West, Atlantic Southeast, Comair, Continental, Delta, Midwest Express, Northwest, Southwest, and United. Mexicana, Aerolitoral and Aeromar are Mexican airlines that provide passenger service to Mexico. The Airport Master Plan design allows for an increase from 28 to 60 gates. It is estimated that current gate facilities are being used at 88% of capacity. A variety of services are available to the traveling public from approximately 245 commercial businesses including nine rental car companies, which lease facilities at the San Antonio International Airport and Stinson Municipal Airport.

San Antonio International Airport has two designated cargo areas: the West Cargo Area, which was constructed in 1974 and refurbished in 1990, and the East Cargo Area, which was completed in 1992. The East Cargo Area is specially designed for use by all-cargo, overnight-express carriers. Custom-built cargo facilities in the East Cargo Area are leased to Airborne Express and Federal Express, while Eagle Global Logistics (EGL) constructed

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Airport System (Continued)

a processing facility in the year 2000. Expansions of the cargo apron were completed in 1997 and 1999 to accommodate future growth and additional facilities are currently planned. Foreign trade zones exist at both cargo areas. Enplaned and deplaned cargo for 2001 totaled 108,815 tons.

San Antonio International Airport operates and maintains approximately 6,100 parking spaces and 1,000 employee parking spaces for a total of 7,100 parking spaces. A parking study was developed in 2001 for the International Airport by AGA Consulting, Inc. The study indicated that projected peak period demand for airport parking will exceed the available supply by the end of 2004. It is estimated that 2,400 additional parking spaces will be required to satisfy projected demand over the next ten years. The City is in the process of coordinating the facility layout for the new parking improvements and the additional terminal facilities. The design contract for the parking improvements is expected to be awarded in early 2003, while construction of the new parking facilities is anticipated to start before the end of 2003.

In 1999, the Aviation Department completed a Re-engineering Study of its Airports' operations. The study focused on cost efficiency and customer service improvements as well as revenue enhancements. The goal is to achieve a "balance" approach that would weigh costs against level of services that the Department provides to the public. In addition, the Re-engineering Study included recommendations on performance targets to be achieved over a three-year period, as well as an on-going evaluation process to monitor the status of the changes. In addition to the 12 full-time and 30 part-time positions, which were eliminated following the completion of the recent parking improvements, the recommendations involved a net reduction of 26 positions.

It is estimated that by the end of fiscal year 2002, the Re-engineering recommendations will result in an annual operating cost savings of \$1.2 million and additional operating revenues of \$1.9 million. The combination of the two will produce an annual increase of approximately \$3.1 million to the Airport Operating Fund. Contractually, approximately half of this sum will be utilized in reducing the cost of facilities and services to the airlines, while the remaining funds will be available for new capital facility improvements at International and Stinson Airports. In fiscal year 2002, airline costs per enplaned passenger were estimated to be \$4.09.

As an adjunct to the Re-engineering improvements, a comprehensive terminal renovation project is underway to improve the quality of services provided to passengers at the San Antonio International Airport. The project, which is estimated to cost \$27.5 million, will include state-of-art terminal building amenities and implementation of recommendations from a recently completed Concession Redevelopment Study. Included in the terminal renovations will be redesigned, high-quality retail and food establishments offering a mix of regional and local products at street prices. Concession space will be expanded from 30,000 square feet to over 40,000 square feet. Through the expansion and reconfiguration of concession space, 85% of retail shops and food outlets will be at airside locations.

The City is planning the implementation of a ten year Capital Improvement Program (CIP) pursuant to the Master Plan for San Antonio International Airport. The CIP addresses both terminal and airfield improvements. The capital program includes the removal of the existing Terminal 2, which is over 40 years old, and the addition of two concourses with corresponding terminal space, public parking facilities, roadway improvements and the extension and improvement to two runways, along with supporting taxiways and aircraft apron. The Airport System's overall CIP for fiscal years 2002 through 2011, which may change as circumstances permit, is estimated to be \$425.6 million. The CIP includes capital improvements as follows: \$124.2 million for terminal related improvements, \$51.8 million for parking improvements, \$19 million for roadway improvements, \$177.1 million for airfield improvements, \$8.2 million for cargo facilities, \$6.7 million for aircraft apron, \$5.9 million for Stinson Airport improvements, and \$32.7 million for other improvements. The City plans to pursue a phased approach in the construction of the improvements, whereby capacity is increased to coincide with demand. The City also



## **ECONOMIC OVERVIEW (Continued)**

### **Infrastructure Development (Continued)**

#### Basic Infrastructure Components (Continued)

##### Airport System (Continued)

desires to limit to the extent possible the impact on airline rates and charges. The City, as the owner and operator of the Airport, has received authority to “impose and use” Passenger Facility Charges (PFC) at the \$3.00 level, which became effective November 1, 2001. The FAA issued a Record of Decision approving the City’s PFC application on August 29, 2001. The CIP also anticipates the approval of a Letter of Intent with the FAA for the commitment of future grants as possible funding sources for some of the planned capital improvements.

Stinson Municipal Airport, established in 1915 and named for the Stinson family, aviation pioneers, is one of the country’s first municipally owned airports. During 2001, a process was initiated to develop a new Airport Master Plan for the Stinson Municipal Airport. The Stinson Municipal Airport Master Plan will provide recommendations for airfield and facility improvements needed to meet growing operation demands. The Planning effort will facilitate the development of the Airport to expand its role as a general aviation reliever to the San Antonio International Airport. The expansion of Stinson’s facilities are also needed to take advantage of new, complementary business opportunities evolving with the synergy between Brooks City-Base, KellyUSA and the Airport. As part of the master planning process, a Target Industries Analysis is being conducted, which will facilitate development of Stinson properties through the identification of industries and businesses considered to be good prospects for locating at the Airport.

##### City Public Service

City Public Service (CPS), owned by the City, provides electric and gas services to San Antonio and surrounding areas. As of January 2002, CPS owns and operates 16 electric generating units capable of producing 4,327 megawatts (MW) of power from natural gas, oil and coal. CPS also owns 700 MW of nuclear generating capacity in the South Texas Project plus the rights to another 160 MW of wind generation, which brings the total CPS capacity to 5,817 MW. During fiscal year 2002, CPS’s generation was obtained from the following sources: coal, 48.9%; nuclear, 30.5%; and natural gas, 19.5%. Wind energy and purchased power accounted for 1.1%. As the second largest municipally owned utility in the nation, CPS serves more than 592,000 electric customers throughout its 1,566 square-mile service area, and about 307,000 natural gas customers in the urban San Antonio area.

To the citizens’ benefit, CPS rates are lower than any major Texas city and among the lowest in the nation. The average CPS residential gas and electric bill ranked second lowest among the 20 largest cities in the United States for the twelve months ending December 2001. CPS remitted over \$168 million to the City in fiscal year 2002. Representing a steady and increasing source of revenue for the City, this return helps keep property taxes low and enhances the funding of many city services offered to residents. Additionally, for its August 2002 debt transaction, CPS was awarded a AA+ rating by Standard & Poor’s, which is the highest rating they have ever awarded to a publicly owned utility. This rating makes CPS the highest rated publicly owned utility in the nation.

##### San Antonio Water System

The City’s waterworks system, initially acquired in 1925, was included in a consolidation in 1992 of all City owned water related utilities including water, wastewater, and water reuse systems. This consolidation created the San Antonio Water System (SAWS), which now provides water and wastewater service to San Antonio and certain surrounding areas. SAWS provides water and wastewater service to the majority of the population within the corporate limits the City of San Antonio and Bexar County which totals approximately 1.4 million residents. Currently, SAWS provides water and wastewater service to 297,661 and 351,250 customers respectively, including residential, commercial, industrial and irrigation customers. SAWS has 4,076 miles of water mains in place and 4,892 miles of wastewater mains in place.

## **ECONOMIC OVERVIEW (Continued)**

### **Infrastructure Development (Continued)**

#### Basic Infrastructure Components (Continued)

##### Housing and Development

The City's administration of housing and infrastructure development initiatives are being accomplished through initiatives such as the Housing Master Plan, Neighborhood Sweeps, Neighborhood Commercial Revitalization, Down Payment Assistance, Owner Occupied Rehabilitation and Reconstruction, Single-Family/Multi-Family Rental Rehabilitation, Affordable Showcase of Homes, Tax Increment Financing, and the Housing Asset Recovery Program managed through the Neighborhood Action Department. In continuation of the Mayor and City Council's community revitalization efforts, the City is developing public policies to support inner city revitalization in distressed areas.

In support of the Mayor and City Council's community revitalization efforts, the Neighborhood Action Department has defined a strategy for data gathering efforts to aid in the development of a comprehensive investment plan for the Community Revitalization Action Group (CRAG) target area, which encompasses the original 1940 city limit boundaries.

##### Housing Asset Recovery Program

In an innovative approach to revitalization, the Neighborhood Action Department partnered with the Fannie Mae San Antonio Partnership Office utilizing a line of credit to rehabilitate valuable housing stock and thus create affordable housing opportunities for low to moderate-income families in San Antonio. Since 2001, the Housing Asset Recovery Program (HARP) takes a non-productive, residential structure and creates a useful asset for the community. Individuals, non-profit organizations, corporations, or any owner of a single-family home, residential lot, or tract of land can donate or sell the asset to the City. Beyond the flood recovery program, in most instances, the home can remain on the existing lot and is rehabilitated on site. In other cases, such as in school expansion projects, a home may need to be relocated to another city-owned parcel of land. To finalize the HARP transaction, the City refers the "project" to Fannie Mae for rehabilitation and sale. Once the home has been renovated, a licensed real estate broker lists and sells the property on behalf of the City. Net proceeds from the sale of the home are returned to the City for reinvestment in affordable housing and to replenish the line of credit in order to acquire additional projects.

##### Housing Master Plan

In June 2001, the City was presented with a Housing Master Plan completed by J-QUAD & Associates, LTD, SA Research Corporation, and McConnell, Jones, Lanier and Murphy, LLP. The Master Plan is a result of recommendations found in the Community Revitalization Action Group Report and the Housing Performance Review. Both documents indicated a need for an overall plan to guide housing development in the City.

The Master Plan identifies and provides a series of recommendations for housing initiatives, processes and comprehensive development for the City. The Master Plan also provides a baseline and understanding of current conditions found in San Antonio's housing market as well as presents a definition of continuum of care and affordable housing. The Master Plan also makes a series of recommendations concerning the retooling of programs and processes to enable implementation of the recommendations defined in the plan. These recommendations are currently under review by the City Council Urban Affairs Committee.

##### Neighborhood Sweep Program

The Neighborhood Action Department coordinated and delivered 24 neighborhood sweeps during fiscal year 2002. Over the last five years, 110 communities have been recipients of this comprehensive service delivery program. The neighborhood sweeps represent an inclusive package of city services, such as code investigations, brush collection, street/pothole repair, graffiti and vacant lot abatement, that are delivered to a 55-60 block area over a period of two weeks. The program is designed to accomplish both short-term "clean-up" goals and long-term community development goals including accessing safe, decent housing and assisting special need populations.

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Neighborhood Commercial Revitalization

The Neighborhood Commercial Revitalization (NCR) Program was created to bring renewed interest and investment to San Antonio's older commercial corridors. The NCR Program is currently working in eight target areas throughout the City's urban core. The NCR Program provides financial and technical assistance to community based non-profit organizations that undertake a full-time revitalization effort. The NCR Program is based on identifying and marketing the competitive advantages of these business districts in the hope of attracting private investment in new and existing businesses, thus creating job opportunities and enhancing the quality of life in the surrounding neighborhoods. Collectively, NCR target areas have realized \$4,850,500 in private investments and 326 new jobs. During fiscal year 2003, the program will be assessed in an effort to pursue alternatives for greater program success and productivity, as the participants continue to implement strategies that will support inner city revitalization.

##### Down Payment Assistance Program/Homebuyers Club

In fiscal year 2002, the Neighborhood Action Department provided families with down payment and closing cost assistance toward their purchase of a home. The Department will continue to provide up to \$8,000 for families wishing to purchase single family homes in the San Antonio area. In addition, there were 485 participants who attended the City's Homebuyers classes, which provide information on the steps to prepare for homeownership.

##### Owner Occupied Rehabilitation & Reconstruction Programs

The Neighborhood Action Department administers the Owner-Occupied Rehabilitation and Reconstruction Program that provides loans and grant funds for renovation or reconstruction of housing units for qualifying families. This Program which supported the rehabilitation/reconstruction of 32 properties is funded through the US Department of Housing and Urban Development providing Community Development Block Grant and HOME funds. The Department works closely with the families to determine rehabilitation and/or reconstruction needs based on assessments of the housing structure. The Department is responsible for providing oversight and monitoring of construction activities for the projects. All applicants must meet eligibility and income qualifications.

##### Rental Rehabilitation Program

The Neighborhood Action Department's Rental Rehabilitation Program provides funds for both single-family and multi-family rental units. It has been noted that much of the rental housing stock within the inner city is substandard and in need of rejuvenation; however, there are numerous challenges associated with ensuring revitalization such as historic integrity, environmental hazard, deferred maintenance and elderly property owners. Funds for this program are made available through the US Department of Housing and Urban Development providing CDBG and HOME funds.

The Rental Rehabilitation Program has a loan product specifically targeted for single-family dwellings. Property owners can borrow up to 100% of the rehabilitation costs; 50% is paid to the City at 5% interest; 50% is forgiven during the Period of Affordability provided the owner complies with the program guidelines. During fiscal year 2002, 198 units were made available to low-moderate income families as a result of assistance through this program.

##### Tax Increment Financing

In the summer of 2002, the City's Tax Increment Financing (TIF) program was undergoing major review in preparation to revise the TIF guidelines and criteria. This review was completed in Fall 2002 and will work to stimulate major new construction and rehabilitation throughout the City. This program provides a means of presenting incentives that carry real costs by paying public improvement costs from the increased tax revenues generated by the project itself. The public purposes of TIF projects include the redevelopment of blighted areas,

## **ECONOMIC OVERVIEW (Continued)**

### **Infrastructure Development (Continued)**

#### Basic Infrastructure Components (Continued)

##### Tax Increment Financing (Continued)

construction of low and moderate-income housing, provision of employment opportunities, and improvement of the tax base.

The program assessment provided for additional resources in order to efficiently respond to the TIF applications pending. The onset of the revised guidelines will facilitate higher standards of development for TIF projects through additional development requirements. The Neighborhood Action Department is projecting to complete 8 new project applications in fiscal year 2003.

##### Housing Policy Guide

For the past 16 months, the City has been working with a Task Force to review its housing policies which apply to all housing projects funded through the Community Development Block Grant (CDBG) and the Home Investment Partnership Program (HOME). These HUD programs provide additional resources for the City to address housing issues and the new policies are designed to maximize efficient use of those resources. The new policies ensure that the City will receive some portion of its investment on every housing project while still assisting residents who need safe, sanitary and decent housing.

##### Neighborhood Development/Partnerships

Neighborhood Development/Partnerships are an innovative strategy being utilized to tackle inner city revitalization through private development. CDBG and HOME funds have been allocated as seed money to stimulate development in urban neighborhoods. The City will release Requests for Proposals to qualified developers to redevelop the Sunny Slope neighborhood and a targeted neighborhood in Council District 4 through housing rehabilitation and construction of new infill housing. The City has already invested millions of dollars in capital improvements in the Sunny Slope area, which should make it attractive for private investors. This pilot program will stimulate increased activity in neighborhoods that have not seen new development in years.

##### Department of Community Initiatives

The Department of Community Initiatives (DCI) serves as the primary human development agency for the City. In this role, DCI coordinates community-based human investment strategies designed to strengthen families, develop human capital, and provide a community safety net. Additionally, DCI acts as a vehicle for collaboration between public and private organizations. This focused facilitation strives to leverage and maximize resources toward significantly improving the community's human development outcomes. In fiscal year 2003, DCI will invest almost \$130 million in human development. The DCI budget supports the City's strong commitment to strengthening long-term economic viability in San Antonio through the development of human capital.

DCI supports human development efforts at all stages of life, beginning with early childhood development and continuing through adult education. DCI carries out these human development strategies primarily through early childhood education, kindergarten readiness, youth development, college scholarships, preparation for transitional employment, long-term job training and adult literacy services, and asset building and asset protection strategies.

DCI's early childhood education goal is to provide high quality and affordable childcare in order to improve workforce participation and prepare children to enter school ready to succeed. Through Head Start, the Child Care Delivery System and local initiatives, the Department will provide childcare to over 16,000 low-income children of parents participating in workforce activities.

The City provides \$11 million in In-Kind contributions to the Head Start program to support this early care and education goal. Additionally, the City certified almost \$8 million in local expenditures that attracted \$12.5 million in federal matching dollars to further underwrite the City's aggressive early care and education initiative. Over the past four years, the City has drawn down proportionately more federal matching early childhood funds

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Department of Community Initiatives (Continued)

than any other Texas community. The Kindergarten Readiness Project strengthens families by empowering parents to serve as their child's first teacher and prepares children for elementary school by developing their mastery of problem solving, communications and life skills. Kindergarten Readiness operates fully in 17 elementary school neighborhoods. To increase public awareness about the issue of school readiness and parental involvement, DCI initiated Early On, a multi-media campaign to disseminate the Kinder Readiness guidelines. Last year, the Kinder Readiness Project engaged over 3,300 parents and 260 teachers in the use of the guidelines. According to a University of Texas at San Antonio (UTSA) research study on the project, 88% of children assessed displayed mastery of the guidelines. The project distributed more than 46,000 brochures through public and private partnerships.

The San Antonio Education Partnership (SAEP) encourages students to stay in school and advance to higher education by providing advising services, college preparation activities and scholarships to students who graduate with a 95% attendance rate and 80% grade point average. Annually, the SAEP serves over 15,000 9th through 12th grade students at the 15 participating high schools. Since the program's inception, over 1,200 scholarship recipients have received their Bachelor's degrees from local colleges and universities.

Funded primarily through the City, Project QUEST serves as an employer and industry driven long-term job training program. Moreover, all the training facilitated through Project QUEST serves the City's five targeted industries by providing them with skilled and educated workers. The program serves undereducated adults who have completed high school or a GED certificate. Since the program's inception in 1993, over 1,800 participants have completed training and have been placed in jobs at an average wage of \$9.90.

DCI's Literacy Services Division offers adult education services including GED preparation, adult basic education, English as a Second Language (ESL), and computer literacy. In addition, the Department has implemented a transitional jobs component in partnership with local employers to improve the workplace skills of residents who have a limited work history. This initiative provides comprehensive career readiness and life skills training including intensive job counseling, motivational sessions, financial literacy and job placement. In fiscal year 2002, over 300 adult learners completed these programs and were placed in jobs.

To assist low-income working families transition out of poverty and achieve economic self-sufficiency, DCI has developed the Family Economic Success Program. This program offers asset-building strategies including Volunteer Income Tax Assistance (VITA). Last year, tax preparer volunteers prepared over 2,000 tax returns for low-income working families, which translated in over \$2 million returned. DCI will expand VITA services to 14 sites in fiscal year 2003. This expansion will serve over 4,000 families in returning almost \$6 million to these families.

Strategic partnerships, which demonstrate a high level of impact and public accountability, will continue to be the key to successfully raising the community's education and skill levels, and improving quality of life. Over the last year, DCI continued to strengthen existing partnerships and form new strategic alliances. For example, the Kindergarten Readiness Project operates in collaboration with Bexar County school districts, childcare centers, UTSA, and community based organizations including Family Services Association, KLRN, AVANCE and YMCA. The Department's other essential partners include but are not limited to the United Way, Annie E. Casey Foundation, Alamo Workforce Development, Inc., (AWD), Smart Start, Tourism Council, employers and congregations.

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Information Technology Services Department (ITSD)

The Information Technology Services Department (ITSD) provides information technology (IT) services, 24 hours a day, 7 days a week, to all City departments and other agencies through information and technology sharing agreements. The Information Technology Vision of the City is to provide business solutions that will enhance the City's effectiveness in serving its employees, citizens, businesses and visitors through the successful use of IT. The City uses IT to be more cost efficient, deliver better and more comprehensive services, and provide easy access to information. Demands for the ability to conduct business electronically, allow for faster response time, increase participation and involvement in government, along with economic pressures to do more with less, are major factors that affect the use of technology at the City.

As the City continues its Security Initiative to institute new security policies, guidelines and operating procedures for all City systems, its goal is to protect the City's infrastructure by reducing risks, complying with laws and regulations, and ensuring business continuity, information integrity and confidentiality. The City is involved with Homeland Defense and Emergency Management Technology Support Systems and with the Dark Screen Project initiated by Representative Ciro Rodriguez. Dark Screen is a consortium of local, county, state and federal entities involved in preventing cyber terrorism. This Dark Screen operation will test the response capabilities of the City and the surrounding regions to a cyber-terrorist attack; will recommend and develop methods for industry, law enforcement, government and academia to cooperatively protect critical infrastructures; and, will serve as a model for other cities in preparing for a cyber-terrorist attack or similar event. ITSD continues to update its business continuity plans and to monitor, maintain, revise and disseminate current security policies, procedures and administrative directives to ensure they are current.

The San Antonio Community Portal provides Internet access to enhance the City's effectiveness and efficiency in serving its employees, citizens, businesses and visitors. The City's website, [sanantonio.gov](http://sanantonio.gov), strives to seamlessly extend services and improve communications between the City and the Community-at-large. During 2002, e-commerce, including on-line payments, was implemented to provide San Antonio stakeholders one-stop access to government information and services.

The Alamo Area Community Information System Initiative (AACIS), an ongoing partnership of non-profit, educational and government agencies, is dedicated to improving the quality of life in San Antonio by making internet access and social service delivery more accessible, particularly to the underserved in our community. In support of AACIS, the City's is hosting a community hub, a device consisting of integrated telecommunication components which will efficiently link local networks, maintained by separate Greater-San Antonio organizations, into a single internet-based metropolitan area network (MAN).

Information Technology is the employment of computer hardware, software, networks and telecommunications to process and distribute information in digital, audio, video and various other forms. The City has developed an Information Technology Plan to provide a coordinated information technology planning effort across all departments of the City and to effectively manage the City's technology investments in concert with its strategic business processes. This plan is intended to be dynamic and is updated annually to reflect changes in technology, trends, and the organization.

In an effort to stabilize the desktop computing environment and to improve technology performance, reliability and service across departments, the City will begin leasing PC equipment on a three-year replacement schedule. This program will establish a standard desktop program for City PCs that will provide a uniform operating platform, consistent support and functionality for end-users.



## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Information Technology Services Department (ITSD) (Continued)

The ITSD Customer Service Initiatives will implement Customer First practices by streamlining communication with customers, establishing a 24/7 help desk, publishing service level standards and providing training for professional growth of ITSD and City staff. The GIS/Mapping Initiatives continue to implement the City's GIS Master Plan and the mapping backbone that can be used to satisfy the spatial and mapping requirements of internal and external users.

##### Enterprise Resource Management (ERM) Project

The Enterprise Resource Management Project is an initiative to reengineer business processes and replace existing software systems in order to improve efficiency, accountability, and to provide enhanced services to the customers of the City. Project sponsors include the City Manager's Office, Director of Finance, and Director of Information Technology Services. The City has hired a consulting firm to assist with this effort. The ERM Project consists of three phases: Phase 1 – needs assessment, definition of “to be processes”, and development of the business case was completed in September, 2001; Phase 2 - software and hardware selection which was completed in July 2002; and, Phase 3 - software implementation and integration which will be completed by December 2004.

##### Code Compliance Department

The Code Compliance Department seeks to enhance neighborhoods and their citizens' health, safety and general welfare through efficient and effective City Code enforcement. This Department also strives to promote a higher quality of life by promoting awareness and compliance with City Codes to stabilize and reverse deterioration of neighborhoods.

The Department's fiscal year 2002 staff complement for code enforcement includes 68 Code Enforcement Officers, 10 Dangerous Premises Officers, and 10 Abatement Officers. Each Code Officer patrols the City in marked vehicles equipped with a computer laptop providing effective and efficient code enforcement activities. Monitoring vacant lots is an example of one activity that falls under this Department's jurisdiction of enforcement for improving the quality of life for the citizens of San Antonio.

Public safety is one of the City's major concerns in its enforcement of overgrown vacant lots. Abandoned properties, whether vacant lots or structures, present adverse conditions impacting the quality of life in the community. The Department recognizes these issues and is attempting to increase community awareness and voluntary compliance by encouraging and developing partnerships with neighborhood organizations, community groups, and local businesses to ensure a safer, cleaner and more beautiful San Antonio.

If private property lots are not cleaned by their owners, the City hires a private contractor. Contracting with small businesses to perform the cleanups helps stimulate the local economy, in addition to accomplishing the Department's objectives. The majority of these private contractors are small business operators and/or Historically Underutilized Businesses (HUBs). This business activity is an opportunity that allows small business owners to compete with larger businesses. In fiscal year 2002, \$494,460 was expended on vacant lot clean up through these contracts.

##### Medicine and Healthcare

The City is cognizant of the importance of, and continues to support, its Medical infrastructure. The City is actively involved in promoting the industry, recognizing its significance to San Antonio and its citizens. Major medical research, manufacturing, training and health care facilities located in San Antonio include the Southwest Biomedical Research Institute, high technology biomedical manufacturing, the University of Texas Health Science Center at San Antonio (medical school, dental school, nursing school, allied health sciences school), the

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Medicine and Healthcare (Continued)

University Health System, Wilford Hall Medical Center (United States Air Force), Brooke Army Medical Center, a world renowned burn treatment and research center, and the South Texas Medical Center. The Medical Center contains numerous hospitals, a specialized treatment center and the renowned Cancer Therapy and Research Center that attracts patients nationally and internationally. In addition, Brooks City-Base is a major medical and environmental research facility of which the U.S. Air Force Medical Service is a major tenant.

The San Antonio Metropolitan Health District is the local public health agency for the City. It provides preventive health services, health code enforcement, clinical services, environmental monitoring, animal control, disease surveillance and control, emergency preparedness, health education, dental services, and is the local registrar of vital statistics.

##### Developmental Services

In May 2001, the San Antonio Municipal Facilities Corporation (an entity created by the San Antonio City Council in February 2001) authorized the execution of a Developmental Agreement for the design, construction, and purchase of a facility for the Development and Business Services Center, a/k/a One Stop. Construction began in January 2002 and is scheduled to be completed and the facility occupied by April 2003. The purpose of this Center is to provide a convenient single source of information and assistance to businesses and organizations that are expanding, developing, or relocating. The Center, centrally located at the northwest corner of South Alamo and South Flores streets on the south side of the City's Central Business District, is a two-story state of the art facility, encompassing approximately 75,000 square feet along with over 300 parking spaces and situated on 5.3 acres of land.

The Center will house an estimated 230 employees of governmental entities and various City departments including Development Services, Planning, Health, Fire Inspections/Fire Marshall, and the Economic Development/Small Business Outreach Program, as well as individuals from various business development organizations, the water, electric, and gas utilities, and related departments of Bexar County.

With the opening of the Development and Business Center, space in the Municipal Plaza Building will be vacated. The Department of Asset Management, in conjunction with the City Architect's Office and with the assistance of various other departments, is developing a plan for the backfill of the vacated space. The focus of this plan is to provide additional space for the overcrowded departments, co-locate certain functions for efficiency, and minimize the amount of rent being paid for leased space in the downtown area.

##### Contracting Initiatives

In July 2001, the City Council approved the creation of the Contract Services Unit, a division of the Department of Asset Management. This division has focused on creating and promoting City-wide standards and systems for improving the management of contracts through the development and implementation of: 1) standards for contract management, planning, and solicitation; 2) strategies to streamline contract negotiation and approvals; 3) rigorous monitoring practices; and 4) training programs for contract officers. As a part of this process, the Electronic Contract Management System was developed and serves as a central repository for City-wide contracting data. Recent accomplishments of the Unit include completion of training classes on Contract Law and Contract Negotiation, the first two required courses of the Contract Officer Certification Program training. In addition, the Unit has been charged with the review and approval of all Requests for Proposal for professional services contracts. As a part of the Contract Services Unit's efforts to create City-wide standards for contract management, a staff manual is being developed which outlines the various processes related to contracts. Staff will be trained on the content and use of this manual and the manual will be continually updated and available on the City's intranet.

## ECONOMIC OVERVIEW (Continued)

### Infrastructure Development (Continued)

#### Basic Infrastructure Components (Continued)

##### Environmental Services Department

The Environmental Services Fund receives most of its revenues from the Residential Solid Waste Fee, Brush Fee, and the Environmental Fee as collected by City Public Service. Additional revenues to this fund are generated from Licensing and Permitting Fees, Mulch and Brush Disposal Fees, and Out of Cycle Collections. The fund supports both Environmental Management and the Solid Waste Divisions of the Environmental Services Department.

The Solid Waste Division is responsible for the collection of municipal solid waste generated by over 300,000 homes and businesses within the City of San Antonio. The primary services provided by this Division include: bi-weekly collection of residential garbage, weekly curbside collection of residential recyclables, dead animal collection, downtown night garbage collection, and the bi-annual collection of residential brush and bulky items. Other services include Out-Of-Cycle collection requests for brush and bulky items, supporting neighborhood associations and civic groups through the weekend Dial-A-Trailer program, sponsorship of Keep San Antonio Beautiful Association. The Solid Waste Division also provides cleanups for special events, weather related emergencies and high priority needs of the City.

The Environmental Management Division is responsible for ensuring City property and construction projects are in compliance with all federal, state and local environmental rules and regulations. This Division assesses and investigates the environmental conditions of land, air and groundwater for the City. Other major responsibilities of the Division involve administering the City's Air Quality and Household Hazardous Waste (HHW) Programs, monitoring and maintaining the City's closed landfills, and overseeing or performing asbestos assessments and environmental remediation. This division also provides technical support for the City's efforts related to energy conservation and compliance with Senate Bill 5—State legislation requiring 25% reduction in energy consumption by City facilities over the next 5 years.

##### Public Works Department

The Public Works Department provides public services and infrastructure in a quality manner through the use of modern engineering and management practices. The department provides design, construction, maintenance and renovation of City buildings, streets and drainage facilities, and operates the traffic network.

Significant projects underway include the Northeast Service Center located along the Wurzbach Parkway. The facility consists of vehicle maintenance operations for Purchasing, Street Maintenance Operations under Public Works, and garbage collection services by Environmental Services Department. This facility also includes a 3,000 square foot multi use space for meetings and public use. Construction is expected to begin on Bulverde Fire Station No. 48 and the Guerra Library on Military Drive. The St. Mary's Parking Garage was completed in 2002 and accommodates 704 spaces with office space for lease. The Presa Street Linkage Project completed in 2002 connects the Riverwalk to Houston Street, which includes ADA access to the river. Another downtown project completed in 2002 is the Houston Street Streetscape Enhancements project.

The Capital Programs Division completed 24 street and drainage projects at a cost of \$14,353,479. These projects will minimize flooding, reduce the number of potholes, reduce traffic delays, and allow for greater mobility.

The Streets Maintenance Division implemented the first year of the pavement reclaimer that is specifically designed for full-depth street reclamation. The reclaimer also recycles existing asphalt in place instead of having to purchase new asphalt for street maintenance projects. The addition of the reclaimer cut the amount of time it takes to reconstruct street surfaces by 50%. Customer service is improved by minimizing inconvenience to the citizens while working in their neighborhoods. Recycling of the existing asphalt diverts waste from the landfill. The additional paver purchased is used to assist city crews in meeting increased customer demand for paved asphalt projects with smooth riding surfaces and skid resistance to improve safety.

## **ECONOMIC OVERVIEW (Continued)**

### **Infrastructure Development (Continued)**

#### Basic Infrastructure Components (Continued)

##### Public Works Department (Continued)

Neighborhood Accessibility & Mobility Program (NAMP) funding has been increased to \$325,000 for each council district and the scope of work under this program has been expanded from sidewalks and speed humps to other transportation improvements such as street maintenance, small street repair, traffic signals, school flashers, pedestrian walkways and medians. The additional funding and expansion of projects under NAMP will be positive for neighborhoods needing specific improvements.

The adoption of the Right of Way (R.O.W.) ordinance by City Council in May 2001 will significantly impact the City's infrastructure by requiring utilities, telecommunications companies and others needing to excavate City streets make repairs to those streets to maintain integrity and life of the streets. Public Works implemented e-commerce processing of R.O.W. permits on-line to improve customer convenience in obtaining street cut permits. The prior system required applicants to drive to the permit office to obtain the permit. This significant improvement makes the process much more convenient for customers. This process also provides R.O.W. staff the opportunity to develop an inventory of all permitted excavations for the purpose of monitoring the integrity of past street repairs.

The record flood of 1998 prompted some major policy changes that have provided a more proactive approach to flood control. One of the major initiatives was to conduct a "buy-out" of properties within the floodplain to prevent the possibility of future catastrophic damage and potential loss of life. The flood of 2002 emphasized the need for continued efforts to be more proactive in flood control efforts. This voluntary buy-out continues today. The adoption of the Unified Development Code (UDC) in May 2001 provided a revised Storm Water Management section and further codified the Floodplain Ordinance. The UDC uses a watershed management approach. Storm Water Engineering is reorganizing to form Watershed Teams for the Leon Creek, Salado Creek and San Antonio River watersheds. The new UDC also developed specific conditions under which floodplain development may occur without jeopardizing the City's goals of natural floodplain preservation and flood mitigation providing for orderly development.

The Interlocal Agreement (ILA) for Regional Flood Control Management Program (RFCMP) forged over the past year to provide for a collaborative and cooperative effort between the City, County, and SARA to deal with water quantity and quality issues. The agreement allows for suburban city participation. Through the ILA, the city will acquire the tools needed to effectively provide storm water master plans for each of the watersheds. This effort will be funded by SARA's ad-valorem tax and is estimated to cost \$6 million. The RFCMP will provide for a strategic financial model, an annual and 5 year capital improvement program, standardized design and maintenance criteria, a county-wide water quality model, hydraulic and hydrologic models for each watershed and a unified service delivery by three governmental entities.

An electronic instrumentation and control system was installed on the two flood control tunnels. These tunnels are monitored electronically 24 hours a day, seven days a week. The Foxboro system ensures the control and direction of storm flows into or bypassing the two tunnels. It also monitors the flood level behind the Olmos Basin Dam, which is a critical part of the system that ultimately safeguards the safety of the citizens and commerce in the Downtown Central Business District.

### **Supporting Infrastructure Components**

#### Convention Center Expansion

The Convention Center Expansion and Renovation Project was completed in 2001. This project was financed from the proceeds of Hotel Occupancy Tax Revenue Bonds sold in March of 1996, and debt service payments are

## ECONOMIC OVERVIEW (Continued)

### Supporting Infrastructure Components (Continued)

#### Convention Center Expansion (Continued)

paid from the collection of a 2% Hotel Occupancy Tax. This construction represents the first major expansion and improvement of the Henry B. Gonzalez Convention Center since 1987. The Convention Center was originally built in 1968 for the San Antonio Worlds Fair, HemisFair. The Convention Center is located within the downtown area of San Antonio and is within walking distance of numerous hotels, retail shops, restaurants, historic amenities, and the City's River Walk.

The Convention Center Expansion Project, which includes 867,495 square feet of additional space to the Center and renovations, construction and upgrades of the original center, is fully operational, with more than 1.3 million gross square feet. The Convention Center boasts 440,000 square feet of contiguous exhibit space, 113,287 square feet of meeting room space with optimum flexibility of up to 59 room divisions. Three hotel quality ballroom/banquet rooms, with the largest at 40,000 square feet is designed to hold up to 4,000 people. The Center also includes two full service banquet kitchens, two loading docks, a pressroom, VIP lounge, dressing rooms, and 29,000 square feet of designated registration areas. The navigable portion of the river construction and the River Walk continuing into Plaza Mexico in HemisFair Park, were completed during the summer of 2001. Interior finishes throughout the Convention Center, East and West Banks, include artist-designed carpet patterns incorporating elements of San Antonio's history and culture. Also featured is an in-house business center to service many of the Convention Center clients. This service is operated by a nationally recognized leader in business center services and enhances the Center's marketability. The completed Convention Center allows the City to improve its competitive position to attract large, revenue generating conventions, and to expand tourism, while enhancing the viability of the local economy for San Antonio.

#### Alamodome

The Alamodome is a 65,000 seat multi-purpose sports, entertainment, and convention facility. Since opening in May 1993, it has held more than 900 events and has hosted over thirteen million visitors. The Alamodome has enhanced San Antonio's ability to attract major public sporting and entertainment events.

In the fall of 1999 the citizens of San Antonio approved a referendum for the construction of a mid-size, multi-purpose arena for the San Antonio Spurs Basketball Team. This arena, the SBC Center, was completed October 2002 and the Spurs moved to this facility in November 2002. The financial impact of the Spurs departure on the Alamodome remains to be seen, but the facility will continue to be a viable economic generator for the City.

The Alamodome maintains a strong reputation as a host for major events. As a result, the diversity of events that are brought to San Antonio continues to expand. The NCAA will host the Men's Southern Regional Basketball Tournament in 2003, the Men's Final Four Basketball Tournament in 2004, and the 2005 Women's Volleyball Championship. In the next five years, the Alamodome will increasingly become a community facility in addition to serving as a multi-purpose venue for major sporting events, convention activities and concerts as well as civic, religious, and social events. With the increased number of booking dates and improved scheduling flexibility as a result of the departure of the Spurs, the Alamodome will continue to court high-school football games, meeting room and trade show events, family shows and concerts.

Efforts are ongoing to secure recurring events for the Alamodome. The Alamodome negotiates with promoters of recurring events to hold their events at the Alamodome for a sustained period of time, usually five (5) years. These events include; the San Antonio Boat Show; Ringling Brothers Barnum & Bailey Circus; Disney on Ice; Arena Motor Cross; Monster Truck Show; the Texas Classic High School Football Kickoff Game; House Beautiful Show; and American Cheer Power.

## ECONOMIC OVERVIEW (Continued)

### Supporting Infrastructure Components (Continued)

#### Nelson W. Wolff Municipal Stadium

The Nelson W. Wolff Baseball Stadium opened in April 1994 and has a seating capacity of 6,500. It has a multi-purpose design which allows for events such as professional baseball, concerts, boxing, and high school, college, and amateur sports. The stadium is home to the San Antonio Missions, a *double A* minor league baseball team. In 2000, the Missions became a farm club of the Seattle Mariners. The Missions won the Texas League Championship in 2002 for a second time since moving to the stadium.

#### Other Amenities

The City supports and promotes various other tourism and quality-of-life amenities, including performing arts and cultural entertainment facilities, museums, the San Antonio Zoo, and the preservation of the Alamo, as well as enterprises such as Sea World of Texas, and Six Flags Fiesta Texas. The City also provides support and funding for cultural organizations, from dance performance companies to the Symphony Society of San Antonio, and for facilities including the Witte Museum, the San Antonio Museum of Art, the Southwest Craft Center, the Carver Community Cultural Center, and the Guadalupe Cultural Arts Center.

In addition, San Antonio is home to various professional sports teams including the San Antonio Spurs, the San Antonio Rampage Ice Hockey team, and the San Antonio Missions. San Antonio also hosts two PGA tour events, the Valero Texas Open and Senior PGA SBC Championship.

### International Outlook

For the third year, the City's International Affairs Department continues to develop an Export Leaders Program that focuses on small to medium size San Antonio companies with a high potential and strong commitment to develop and expand international markets. The San Antonio Export Leaders Program is a competitive eight-month program that offers the tools, training, consultation and coaching necessary for about fifteen companies to be successful in exporting and offers the participants a new export experience. In its three years, the program graduated 36 companies.

San Antonio continues to develop itself as an INLAND PORT for imports and exports to/from Mexico, Latin America and other regions of the world. This encompasses transportation, manufacturing and logistics facilities, professional services and value-added services involved in producing, marketing and moving freight within, into and out of the San Antonio area. Over the past nine years, the City has operated three commercial trade offices in Mexico's three largest cities: Mexico City, Guadalajara, and Monterrey. The trade office in Mexico City has expanded to service seven southeastern Mexican states of Oaxaca, Chiapas, Quintana Roo, Veracruz, Campeche, Tabasco and Yucatan.

The City's commitment to international trade is evidenced in the City's new International Center which houses the North American Development Bank, International Conference Center, the Trade Commission of Mexico, Mexican State Trade Office, the Free Trade Alliance San Antonio, the U.S. Department of Commerce, the City's International Affairs Department, and the Convention & Visitors Bureau.

### Budgetary Controls

Budgetary compliance is a significant tool for managing and controlling governmental activities, as well as ensuring conformance with the City's budgetary limits and specifications. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Levels of budgetary control, that is the levels at which expenditures cannot legally exceed appropriated amounts, are established by function and activity within individual funds. The City utilizes an encumbrance system of accounting as one mechanism to accomplish effective budgetary control. Encumbered amounts lapse at year-end, however, encumbrances generally are appropriated as part of the following year's budget. For the

## **Budgetary Controls (Continued)**

fiscal year beginning October 1, 2001, the Government Finance Officers Association of the United States and Canada ("GFOA") presented an award of Distinguished Budget Presentation to the City.

As demonstrated by the statements and schedules in the Financial Section of this report, the City continues to meet its responsibility for sound financial management. As in the Financial Section, all monetary amounts presented in the remainder of this letter are expressed in thousands, except where noted.

## **FINANCIAL INFORMATION**

### **Fiscal Management and Administrative Topics**

#### Pension and Postemployment Retirement Benefits

The City provides pension retirement benefits for its eligible employees through two plans. For uniformed Fire and Police employees, retirement benefits are provided through the Fire and Police Pension Fund, a single-employer defined benefit retirement plan. Contribution and benefit levels are established under State statute. For fiscal year 2002, active members contributed 12.32% of covered payroll, or \$21,808 and the City contributed 24.64%, or \$43,615.

The City provides all other eligible employees, exclusive of fire and police employees, retirement benefits through the Texas Municipal Retirement System (TMRS), a nontraditional, joint contributory, hybrid defined benefit plan. TMRS is a statewide agent multiple-employer public employee retirement system. Contributions to the system are actuarially determined. The required contribution from City employees is 6%, while the City matches at a rate of approximately 11.63%. Both the City and its covered employees made the required contributions of \$23,147 and \$11,947 respectively. For additional information on the City's pension plans, see Note 8 in the notes to the financial statements.

With respect to postemployment health benefits, the City provides benefits for all non-uniformed City retirees and for all, pre-October 1, 1989 uniformed fire and police retirees. The cost of the program is reviewed annually and actuarially determined costs of medical claims are funded jointly on a pay-as-you-go basis with the City contributing 2/3 and the retirees contributing 1/3 of the cost. As of September 30, 2002, 1,405 retirees were participating in the program and currently there are 6,650 active civilian employees who may become eligible for this program in the future.

The second postemployment health benefit program provides retirement health care benefits for eligible fire and police retirees under the Fire and Police Retiree Healthcare Fund ("Fund"). Contribution and benefits levels are established under the City's collective bargaining agreements with the Fire and Police Unions, respectively. The benefits of this plan are financed on a prefunded basis. For fiscal year 2002, the City contributed \$15,300 to the Fund and active employees and retirees contributed \$1,222. Recent actuarial studies have resulted in different results and indicate that the current contribution levels are not sufficient to amortize the unfunded liability of the Fund. The City continues to review the Fund in order to develop a comprehensive framework for a long-term solution. For additional information on City's postemployment health benefits, please see Note 9, of the notes to the financial statements.

#### Cash and Investment Management

The City's investment policies are governed by state statute and the City's own written investment policies. Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; investment diversification, yield, maturity, and the quality and capability of investment management; and include a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "investment strategy statement" that specifically addresses each fund's investment. Each investment strategy statement will describe strategy

**FINANCIAL INFORMATION (Continued)****Fiscal Management and Administrative Topics (Continued)**Cash and Investment Management (Continued)

objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

The City is authorized to use demand accounts, time accounts, and certificates of deposit, and other permissible investments including Obligations of the U.S. Treasury and U.S. Agencies, Obligations of States and Cities, Commercial Paper, Repurchase Agreements, Money Market Funds, and Investment Pools. The City's investment portfolio includes investment in callable obligations, but does not contain any derivative products. It is not the City's policy to use such investment vehicles or strategies in its portfolio, nor does the City leverage its investments.

At September 30, 2002, investable City funds were 86.71% invested in obligations of the United States, or its agencies and instrumentalities, and 10.79% invested in a money market mutual fund, with the weighted average maturity of the portfolio being less than one year. The remaining 2.50% of the City's portfolio includes the convention center debt service reserve fund of \$16,999, which was invested in fully collateralized repurchase agreement that is fully secured by obligations of the United States or its agencies and instrumentalities. The investments and maturity terms are consistent with State law, and the City's investment policy objectives, which are to preserve principal, limit risk, maintain diversification and liquidity, and to maximize interest earnings. For additional information on Cash and Investments, please see Note 3 of the notes to the financial statements.

Risk Management Programs

For the fifth time in eleven years, the Insurance Reserve Fund maintained a positive net assets balance of \$3,103 for the fiscal year 2002. Whereas, the Workers' Compensation Fund reflected a negative net assets balance of \$2,505. The Insurance Reserve and Workers' Compensation Funds carried cash reserves at September 30, 2002 in the amount of \$14,182 and \$12,922, respectively.

The Risk Management Division Safety Office has continued aggressive efforts this year to promote Accident Prevention/Loss Control projects. This year 3,216 employees received formal classroom training on a number of subjects, totaling 15,112 classroom hours collectively. Training classes include Defensive Driving, First Aid and CPR, Drug and Alcohol Awareness training for commercial drivers and supervisors, New Employee Safety Orientations, Professional Truck Driving, Supervisor's Accident Investigation training, Hazardous Chemicals training, Ergonomics Awareness, and other specialized training courses. The Safety Office has spent in excess of 2,141 hours in delivering the aforementioned formal training.

In addition, the Safety Office continues to improve the quality of safety and health education to serve the needs of all City employees by developing customized training programs and updating training materials and/or training methods. The Safety Office has also provided Departments 1,801 hours of technical assistance and one-on-one informal training on a variety of safety and health topics in fiscal year 2002. It has initiated the use of a more comprehensive format during consultative visits with Departments this year to assist in identifying and evaluating both safety, health and liability risk exposure. Loss Control abatement measures are recommended wherever possible. Preventing cumulative trauma and repetitive motion injuries have continued to receive major focus by the inspection and evaluation of employee work environments with recommendations for adjustments or changes when needed. Facility inspections and accident investigations are also conducted by the Safety Specialists. Review of accident statistics continues to represent a significant area of responsibility for the Section in order to assist Departments in identifying and correcting negative trends in frequent and loss severity. This year, 5,122 employee driver evaluations were processed with records being updated.

Employee Benefits Program

The City's Self-Insurance Fund continues to experience increased expenses due to rising health care costs, increased prescription drug costs, increased claims volume and changing employee demographics. The City



## FINANCIAL INFORMATION

### Fiscal Management and Administrative Topics (Continued)

#### Employee Benefits Program (Continued)

continues to focus on cost containment programs such as: hospital audits, hospital pre-certification, utilization review, large case management, prescription benefit management, and a preferred provider organization to assist in managing the rising cost of medical care. Such strategies have been effective for the City in managing medical cost in a changing health care industry. The City is in the process of hiring a Case Management Nurse and Utilization Review Specialist to support the cost containment programs and aid in identifying additional cost savings. The City has also utilized the services of an outside consultant to conduct a three-year actuarial study and plan design review for the Employee Benefits program. The total cost savings for fiscal year 2003, as a result of plan changes, is estimated at \$805. In fiscal year 2002, the Employee Benefits Fund had cash reserve of \$1,042 and a deficit net assets balance of \$13,000. For additional information on the City's risk and employee benefits programs, please see Note 12, of the notes to the financial statements.

#### Debt Administration

The City utilizes a comprehensive, debt management financial planning program (The Debt Management Plan), which is updated annually. The Debt Management Plan is a major component of the City's financial planning. The model projects financing needs while measuring and assessing the cost and timing of each debt issuance. It involves comprehensive financial analysis which utilizes computer modeling, and incorporates variables such as interest rate sensitivity, assessed values changes, annexations, and current ad valorem tax collection rates. Use of this financial management tool has assisted the City in meeting its financing needs by facilitating timely and thorough planning which has allowed the City to capitalize on market opportunities.

Strict adherence to conservative financial management has allowed the City to meet its financing needs while at the same time maintaining its "Aa2", "AA+" and "AA+" bond rating by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Public Ratings Services, a division of McGraw-Hill Companies, Inc. ("S&P"), and Fitch Ratings ("Fitch") respectively. The positive trend in the City's credit strength is evidenced by S&P's rating upgrade in December 1998 from "AA" to its current "AA+" and Fitch's rating upgrade in October 1999 from "AA" to "AA+". For additional information on the City's long-term debt, please see Note 6 of the notes to the financial statements.

## OTHER INFORMATION

### INDEPENDENT AUDIT

State statutes require that an annual audit by an independent certified public accountant be conducted. The City's Audit Committee selected the accounting firms KPMG LLP, Leal & Carter PC, and Robert J. Williams, CPA in 2002. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996 and related OMB Circular A-133. The Independent Auditors' Report on the basic financial statements, management's discussion and analysis (required supplementary information), required disclosures and schedules are included in the Financial Section of this CAFR. The Independent Auditors' Report along with other required reports and schedules mandated by the Single Audit Act Amendments of 1996 and OMB Circular A-133 are in a separate document.

### SPECIAL ELECTION ISSUES

On November 6, 2001 the citizens of San Antonio approved three charter amendments during a special election. Proposition one creates the position of independent City Auditor, providing that the appointment and removal of the Internal Auditor will be by the City Council. The proposition provides that all employees of the Internal Audit Department will work for the City Auditor, and the department will work to perform financial, fiscal compliance and other audits as directed.

(Monetary Amounts Expressed in Thousands)

**SPECIAL ELECTION ISSUES (Continued)**

Proposition two provides the appointment of the City Attorney by the City Manager to be confirmed by the City Council. The proposition provides that the City Manager may remove the City Attorney with advice of the City Council, and that an assistant city attorney may perform the duties of the City Attorney, at the City Attorney's discretion.

Proposition three removes certain licensed professionals and executive job classifications from Municipal Civil Service coverage and protection. It specifically mentioned assistant directors of City departments, architects, assistant auditors, attorneys, dentists, doctors, engineers, psychologists, veterinarians, and part-time and seasonal employees. The proposition also provides for alternate members to the Municipal Civil Service Commission.

**AWARDS**

San Antonio's appeal to its citizens, potential businesses and visitors stems from its historical beauty, high quality of life and low cost of living. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2001. This was the 26th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. The report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year and we believe the current CAFR continues to meet the Certificate of Achievement Program's requirements.

In March 2002, the City's Aviation Department received the FAA's "Texas 2001 Outstanding Airport of the Year" award for the San Antonio International Airport. This award is given to one airport in each of the five states in the FAA's Southwest region. It is presented in recognition of an airport's overall management in its use of Federal funds, diligence in planning and implementing projects, airport maintenance, use of airport improvement program resources and compliance with FAA safety standards.

The City of San Antonio was recognized by the Department of Justice in July of 2002 for its compliance with the Americans with Disabilities Act (ADA) in a meeting in Washington, D.C. The City was high-lighted for its' efforts to follow the guidelines of Project Civic Access, a wide-ranging federal initiative to ensure that state facilities, counties, cities, towns, and villages comply with the ADA. The Department of Justice is featuring a story and photographs of San Antonio and its residents on the ADA web page at [www.ada.gov](http://www.ada.gov).

The preparation of the City of San Antonio, Texas Comprehensive Annual Financial Report for the fiscal year ended September 30, 2002, was made possible by the dedication and hard work of the Finance Department, particularly the staff of the Accounting Division. Each member of the Department has my sincere appreciation for their contributions to the preparation of this document. In closing, please accept my sincere gratitude to the Mayor and City Council, City Manager, Deputy City Manager, Assistant City Managers, Assistants to the City Manager, and their staff, for their continued support.

Respectfully Submitted,



Milo Nitschke  
Director  
Finance Department



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Antonio,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*William Patrick Rosta*  
President

*Jeffrey L. Eason*  
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Antonio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2001. This was the 26<sup>th</sup> consecutive year that the City has achieved this prestigious award.

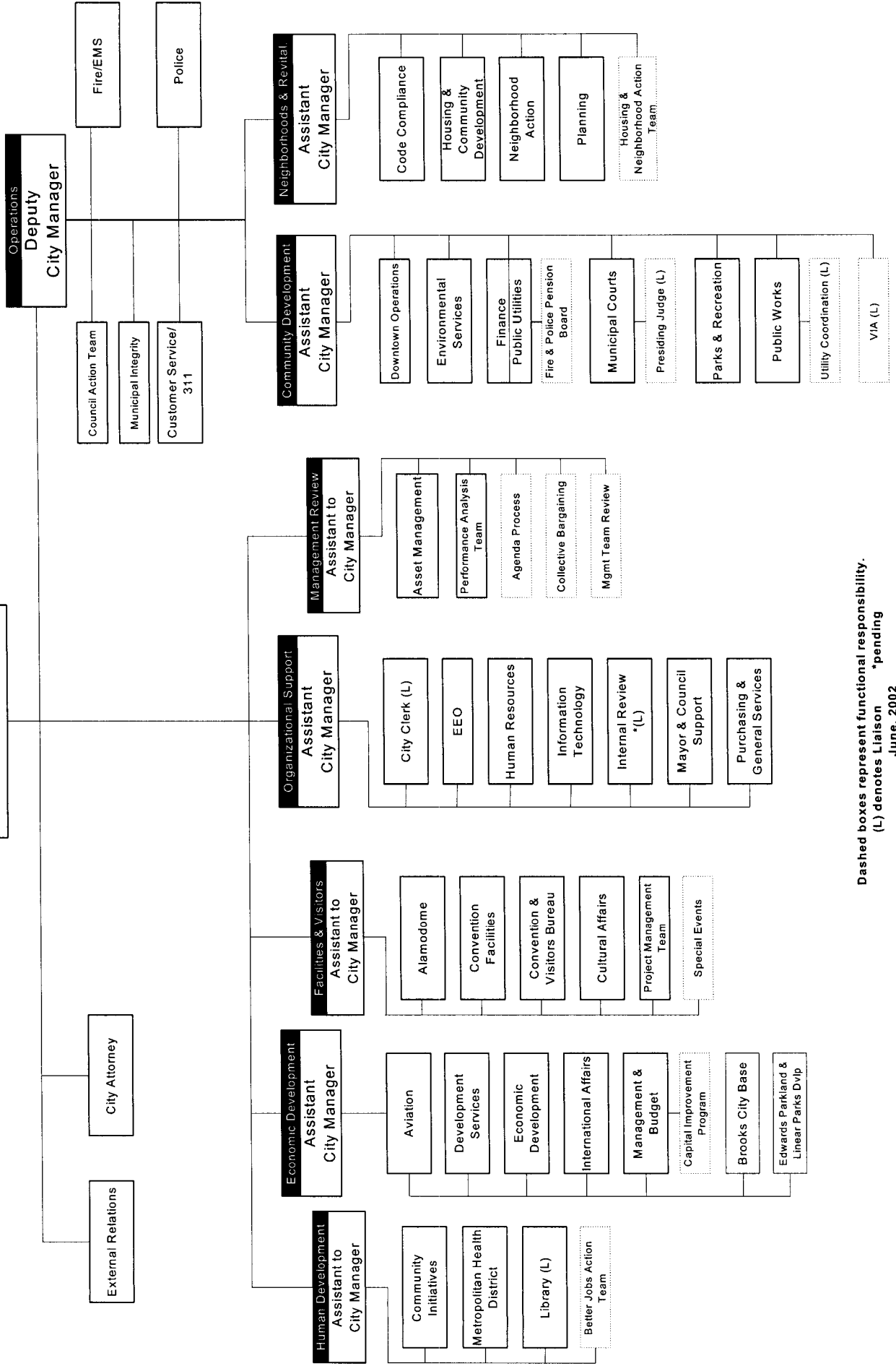
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

# City of San Antonio

## MAYOR & CITY COUNCIL

### CITY MANAGER



Dashed boxes represent functional responsibility.  
(L) denotes Liaison \*pending  
June, 2002

# **CITY OF SAN ANTONIO, TEXAS**

*Incorporated December 14, 1837*

*Charter Adopted October 2, 1951*

*Council - Manager Form of Government*

## **CITY COUNCIL**

**Edward D. Garza, Mayor**

**Bobby Perez**

**John H. Sanders**

**Antoniette Moorhouse**

**Enrique Martin**

**Nora X. Herrera**

**Enrique M. Barrera**

**Julian Castro**

**Bonnie Conner**

**Carroll W. Schubert**

**David Carpenter**

## **CITY MANAGER**

*Terry M. Brechtel*

## **DEPUTY CITY MANAGER**

*J. Rolando Bono*

## **ASSISTANT CITY MANAGER**

*Travis M. Bishop*

## **ASSISTANT CITY MANAGER**

*Christopher J. Brady*

## **ASSISTANT CITY MANAGER**

*Melissa Byrne Vossmer*

## **ASSISTANT CITY MANAGER**

*Jelynn L. Burley*

## **ASSISTANT TO THE CITY MANAGER**

*Roland A. Lozano*

## **ASSISTANT TO THE CITY MANAGER**

*Frances A. Gonzalez*

## **ASSISTANT TO THE CITY MANAGER**

*Erik J. Walsh*

**MEMBER OF THE GOVERNMENT FINANCE OFFICERS  
ASSOCIATION OF THE UNITED STATES & CANADA**





***City of San Antonio  
Texas***

***Financial Section***





***City of San Antonio  
Texas***

***Independent Auditors' Report***



112 East Pecan, Suite 2400  
San Antonio, TX 78205-1585



Robert J. Williams  
Certified Public Accountant  
P.O. Box 34058  
San Antonio, TX 78265-4058

LEAL & CARTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
11122 Wurzbach Rd. / Suite 200  
San Antonio, Texas 78230-2573

## Independent Auditors' Report

The Honorable Mayor  
and Members of City Council  
City of San Antonio, Texas:

We have jointly audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas, as of and for the year ended September 30, 2002, which collectively comprise the City of San Antonio, Texas' basic financial statements as listed in the accompanying table of contents under "Basic Financial Statements." These financial statements are the responsibility of the City of San Antonio, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not jointly audit the financial statements of certain discretely presented component units and blended component units included in the governmental and fiduciary funds of the City of San Antonio, Texas, which represent the indicated percent of total assets and total revenues as presented in the table below. Those financial statements were audited by other auditors, including KPMG LLP and Leal & Carter, P.C., acting separately, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those component units, are based solely on the reports of the other auditors.

	Percent not jointly audited	
	Total assets	Total revenue
Government-wide		
Governmental activities	0%	0%
Business-type activities	0%	0%
Discretely presented component units	24%	13%
Fund statements		
Major funds	0%	0%
Aggregate remaining fund information	76%	19%

	Percent audited by KPMG separately		Percent audited by Leal & Carter separately		Percent audited by Robert J. Williams separately	
	Total assets	Total revenue	Total assets	Total revenue	Total assets	Total revenue
Government-wide						
Discretely presented component units	0%	0%	1%	1%	0%	0%
Fund statements						
Aggregate remaining fund information	5%	3%	0%	0%	0%	0%



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas, as of September 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the City of San Antonio, Texas has implemented a new financial reporting model as required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, effective October 1, 2001.

The Management’s Discussion and Analysis on pages 1 through 11, the Budgetary Comparison schedule on page 111, and Schedules of Funding Progress and Employer Contributions on pages 112 through 114 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We, and the other auditors, have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we, and the other auditors, did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of San Antonio, Texas’ basic financial statements. The introductory section, the combining financial statements and schedules and other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements and schedules and other supplementary information have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP      Robert Williams CPA      Seal & Carter, P.C.

February 28, 2003



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***City of San Antonio  
Texas***

***Management's Discussion and Analysis***

***(Required Supplementary Information)***

***(Unaudited)***

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of San Antonio (City) presents the following discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2002. This discussion and analysis is intended to assist readers in focusing on significant financial issues, changes in the City's financial position, and identifying any significant variances from the adopted budget. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- The assets of the City exceeded its liabilities by \$2,466,912 (net assets). Of this amount, \$116,612 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$455,756, an increase of \$10,808 compared to the fiscal year 2001 fund balance. The total unreserved fund balance of \$124,698 is available for spending at the government's discretion. Of this amount, \$52,297 is designated and \$72,401 is undesignated fund balance.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$53,658, or 10.4% of the total General Fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as the introduction of the City of San Antonio's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements

#### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business financial presentation.

The *statement of net assets* is a presentation of the City's assets and liabilities, including capital and infrastructure assets, and long-term liabilities. This statement reports the difference between assets and liabilities as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information regarding increases and decreases to the government's net assets for the fiscal year. Changes in net assets are recorded when the underlying event giving rise to the change occurs regardless of the timing of the cash flows. Therefore, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, sanitation, health services, environmental protection and control, culture and recreation, convention and tourism, conservation, urban redevelopment and housing, welfare and economic development opportunity. The business-type activities of the City include the airport system, parking system, and environmental services.

In addition, the basic financial statements provide information regarding the City's legally separate discretely presented component units. Component unit financial information is reported separately from the primary government in the government-wide financial statements.

## Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. The focus of the fund financial statements is on the City's major funds, although non-major funds are also presented in aggregate and further detailed in the supplementary statements. The City uses fund accounting to ensure and demonstrate compliance with requirements placed on resources. Funds are divided into three types: governmental, proprietary, and fiduciary. Fund financial statements allow the City to present information regarding fiduciary funds, since they are not reported in the government-wide financial statements.

*Governmental funds.* Governmental funds are used for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, unlike the government-wide statement, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

As the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The City of San Antonio maintains five individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, debt service fund and the general obligation bond fund, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

*Proprietary funds.* The City maintains two types of proprietary funds. *Enterprise funds* are used to report the functions presented in business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airport, parking and environmental services funds. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions, including, self-insurance programs, other internal services and information technology services. The services provided by these funds predominantly support the governmental rather than the business-type functions. They have been included within the governmental activities in the government-wide financial statements that are reported alongside the business activities.

Proprietary fund financial statements provide separate and more detailed information for the airport, parking, and environmental services funds. The airport and parking funds are considered major funds of the City while internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the primary government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's programs and operations. The accounting for fiduciary funds is much like that used for the proprietary funds.

*Notes to the financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Other information.* In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information on the City's General Fund budget, which is adopted on an annual basis. A budgetary comparison statement has been provided for this funds in order to demonstrate budgetary compliance with this budget.

### Government-wide Financial Analysis

GASB 34, Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments, requires that the City provide a comparative analysis of government-wide data. Since this is the first year of implementation, the comparative data is not available for this fiscal year. In future years, when prior year information is available, the City will be in a position to provide the government-wide data comparisons on governmental and business-type activities as required by GASB.

City of San Antonio Net Assets September 30, 2002			
	Governmental Activities	Business-type Activities	Total Primary Government
Current and Other Assets	\$ 632,243	\$ 222,870	\$ 855,113
Capital Assets	2,938,157	276,008	3,214,165
Total Assets	3,570,400	498,878	4,069,278
Other Liabilities	129,128	14,633	143,761
Long-term Liabilities	1,184,719	273,886	1,458,605
Total Liabilities	1,313,847	288,519	1,602,366
Net Assets:			
Invested in Capital Assets, Net of Related Debt	2,036,269	152,261	2,188,530
Restricted	109,693	52,077	161,770
Unrestricted	110,591	6,021	116,612
Total Net Assets	\$ 2,256,553	\$ 210,359	\$ 2,466,912

For the year ended September 30, 2002, total net assets exceeded liabilities by \$2,466,912. The largest portion of the City's net assets (89%) is its investment in capital assets less any related debt used to acquire those assets that is still outstanding, and includes assets such as land, infrastructure, improvements, buildings, machinery and equipment. In addition, as of September 30, 2002 the City is required to report infrastructure assets in its financial statements for the first time.

Capital assets are used to provide services to the citizens of San Antonio and are not available for further spending. Although the City's investment in capital assets is reported net of related debt, the resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate these liabilities.

Of the total net assets, 6% (\$161,770) represent resources that are subject to external restrictions on how they may be used. The remaining 5% (\$116,612) represent unrestricted net assets, which can be used to meet the government's ongoing obligations to citizens and creditors.

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**City of San Antonio**  
**Changes in Net Assets**  
**For the fiscal year ended September 30, 2002**

	Governmental Activities	Business-type Activities	Total Primary Government
<b>REVENUES:</b>			
Program Revenues:			
Charges for services	\$ 133,821	\$ 94,814	\$ 228,635
Operating Grants and Contributions	183,849	5,040	188,889
Capital Grants and Contributions	16,400		16,400
General revenues:			
Property Taxes	225,740		225,740
Other Taxes	233,851		233,851
Revenues from Utilities	171,632		171,632
Investment Earnings	13,504	3,365	16,869
Net Decrease in			
Fair Value of Investments	(423)	(74)	(497)
Miscellaneous	12,269	7,610	19,879
Gain on Sale of Capital Assets	1,703	50	1,753
Capital Contributions	481		481
Total Revenues	<u>992,827</u>	<u>110,805</u>	<u>1,103,632</u>
<b>EXPENSES:</b>			
Primary Government:			
Governmental Activities:			
General Government	77,887		77,887
Public Safety	414,382		414,382
Public Works	131,010		131,010
Sanitation	7,909		7,909
Health Services	78,662		78,662
Environmental Protection and Control	194		194
Culture and Recreation	76,400		76,400
Convention and Tourism	49,754		49,754
Conservation	15		15
Urban Redevelopment and Housing	17,038		17,038
Welfare	133,818		133,818
Economic Development Opportunity	27,322		27,322
Commercial Paper Fees	13		13
Interest on Long-term Debt	54,628		54,628
Business-type Activities:			
Airport System		41,941	41,941
Parking Facilities		8,693	8,693
Environmental Services		48,223	48,223
Total Expenses	<u>1,069,032</u>	<u>98,857</u>	<u>1,167,889</u>
Increase/(Decrease) in Net Assets before transfers	<u>(76,205)</u>	<u>11,948</u>	<u>(64,257)</u>
Transfers	<u>2,072</u>	<u>(2,072)</u>	
Net Increase/(Decrease) in Net Assets	<u>(74,133)</u>	<u>9,876</u>	<u>(64,257)</u>
Beginning Net Assets	<u>2,330,686</u>	<u>200,483</u>	<u>2,531,169</u>
Ending Net Assets	<u>\$ 2,256,553</u>	<u>\$ 210,359</u>	<u>\$ 2,466,912</u>

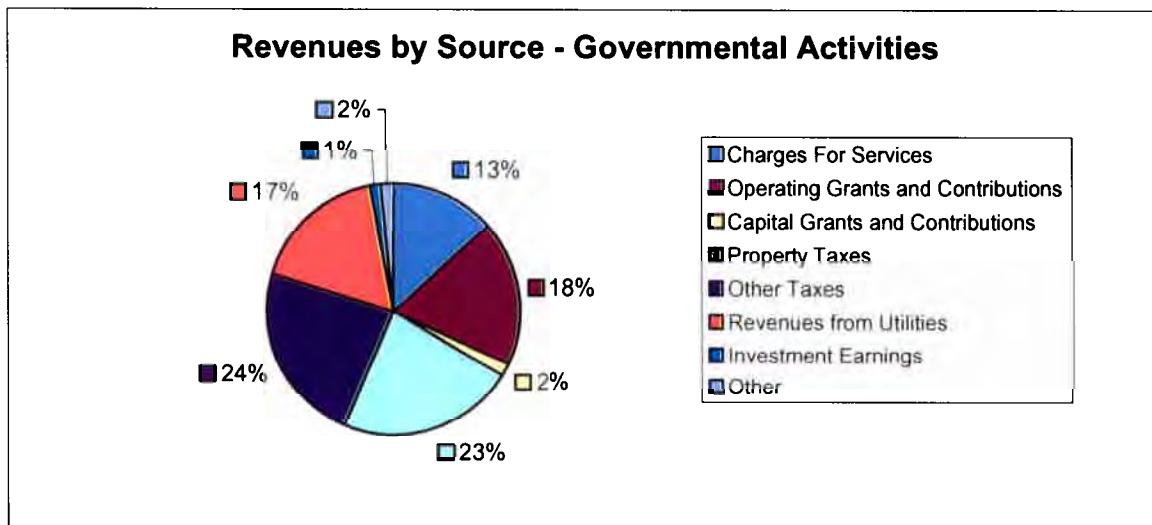
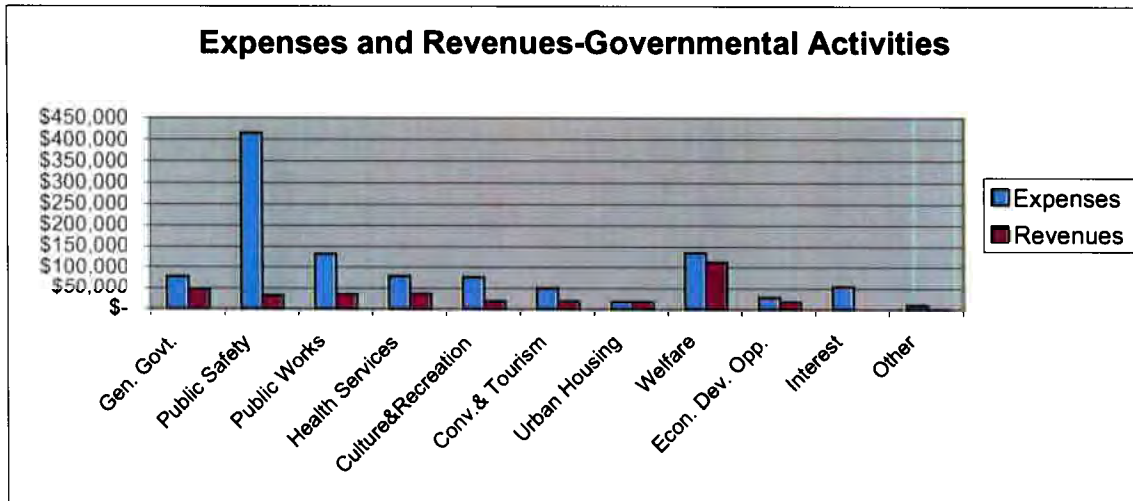
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### Governmental Activities

The City's total revenues were \$1,103,632 for the fiscal year ended September 30, 2002. Revenues from governmental activities totaled \$992,827 and revenues from business-type activities totaled \$110,805. General revenues represented 61% of the City's total revenue, while charges for services and operating grants provided 39% of revenue received in fiscal year 2002.

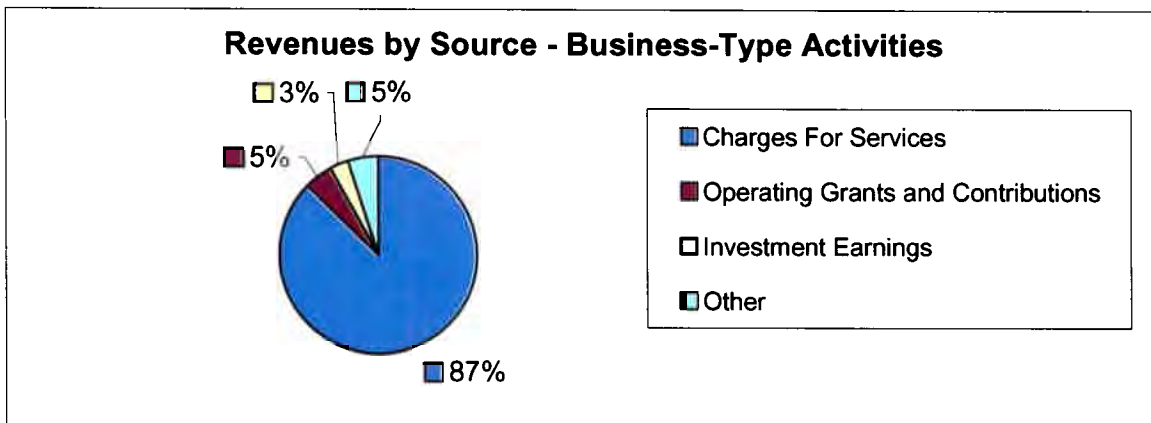
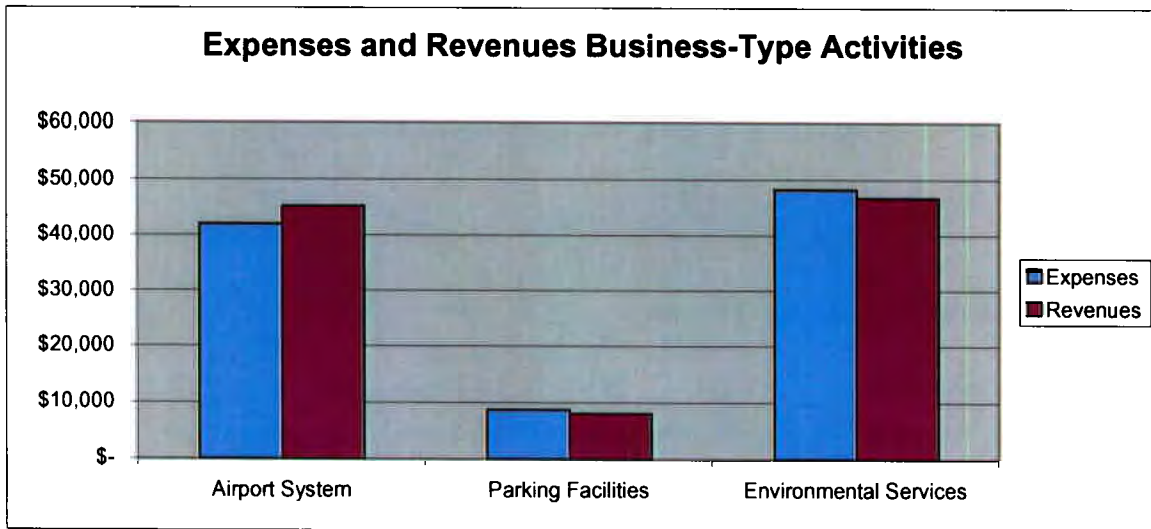
Expenses for the City totaled \$1,167,889. Governmental activity expenses totaled \$1,069,032, or 92% of total expenses.



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### Business-type Activities

Program revenues for the City's business-type activities totaled \$99,854. Expenses for business-type activities were \$98,857. The remaining revenue was a result of interest and other miscellaneous items.



### **Financial Analysis of Governmental Funds**

Activities of the Primary Government's General Fund, Special Revenue Funds, and Debt Service Funds are considered general government functions. The General Fund is the City's general operating fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted as to expenditure. The Debt Service Funds are used to account for financial activity related to the City's general bonded indebtedness, as well as other long-term obligations.

Revenues from taxes increased by \$24,928 which was primarily attributable to: (1) a \$13,605 or 10.84% increase in property tax revenue for the General Fund, (2) a \$3,274 or 2.39% increase in sales tax revenue in the General Fund, and (3) a \$5,958 or 7.27% increase in property tax revenue for the Debt Service Fund as a result of increased property valuation, new construction, and annexation. Revenues for the utilities category, which is represented in the City's General Fund decreased by \$16,706 or 8.89% which is primarily attributed to a decrease of \$17,293 in the City's payment from CPS which is based on CPS' gross revenues. CPS revenues are impacted by variables such as fuel costs, weather, types of electric generation used as well as other factors.

The total fund balance of the General Fund at year-end was \$62,452, a decrease of \$33,746 from the total fund balance of \$96,198 for the close of fiscal year 2001. The total unreserved fund balance for fiscal year 2002 is \$53,658, which represents \$33,861 in designated and \$19,797 in undesignated fund balance. The undesignated fund balance, which represents amounts available for additional appropriations, in the General Fund at the close of the fiscal year decreased by \$29,640 from the previous year.

The total fund balance of the Debt Service Fund at year-end was \$89,348 a increase of \$1,051 from the total fund balance for the close of fiscal year 2001. The entire fund balance is reserved for payment of debt service.

The total fund balance for the Capital Projects - General Obligation Bonds fund at year-end was \$91,400, an increase of \$35,386 from the total fund balance for the close of fiscal year 2001. The unreserved fund balance all of which makes up the undesignated fund balance in the General Obligations Bonds Fund was \$52,828.

### **General Fund Budgetary Highlights**

#### **Significant Variances in Budget Appropriations General Fund**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Results</b>
General Government	\$ 66,430	\$ 69,352	\$ 57,213
Public Safety	347,042	354,820	351,557
Public Works	9,971	10,325	10,245
Health Services	13,696	13,716	14,076
Sanitation	2,566	2,567	2,663
Welfare	17,476	18,318	17,662
Culture and Recreation	61,237	62,403	59,755
Economic Development and Opportunity	6,723	8,324	7,632
Transfers to other funds	69,458	74,881	76,102
Total	<u>\$ 594,599</u>	<u>\$ 614,706</u>	<u>\$ 596,905</u>

Changes in original budget appropriations to the final amended budget appropriations were a \$20,107 increase in appropriations. This increase can be summarized by the following discussion.

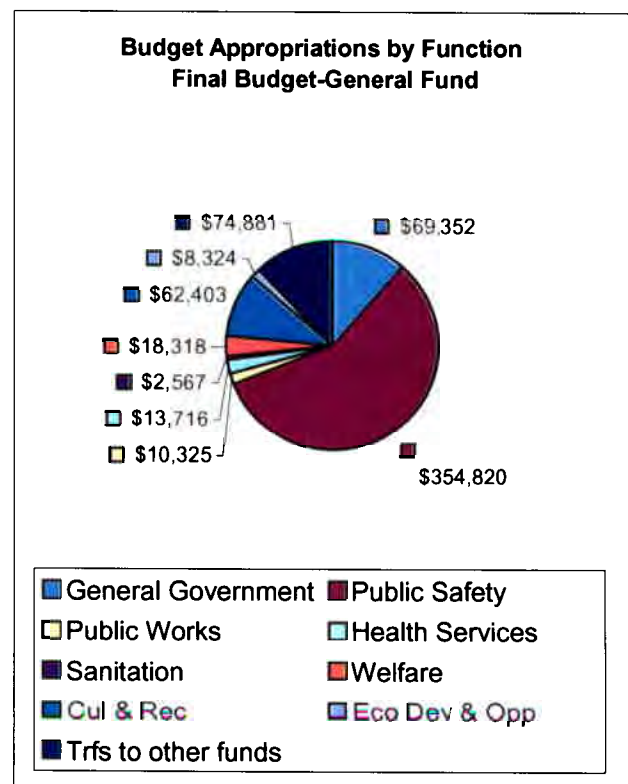
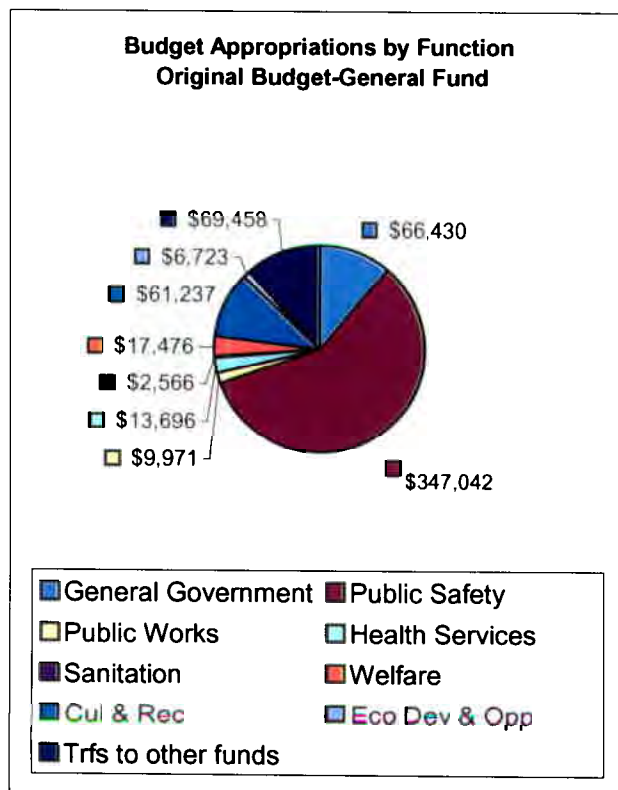
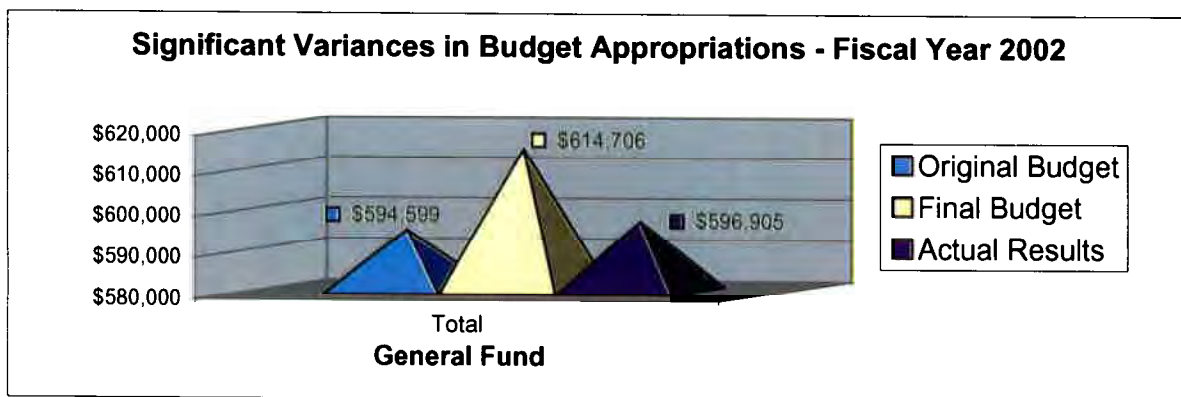
General government had a \$2,922 budget increase composed of an increase of \$10,784 of budget carry forwards and a \$7,862 budget decrease. Of the \$7,778 increase in public safety, \$2,260 was due to budget carry forwards, \$4,464 was funded out of budget decreases in general government and \$1,054 was budgeted from available fund balance. Public works had a \$354 budget increase composed of an increase of \$359 of budget carry forwards and a \$5 budget decrease. The \$20 budget increase in health services was due to a \$22 budget increase of budget carry forwards and a \$2 budget decrease. Sanitation had a \$1 increase due to budget carry forwards. Of the \$842 increase in welfare, \$876 was an increase for budget carry forwards and \$34 was for budget decreases. The culture and recreation \$1,166 increase was due to \$930 for budget carry forwards and \$236 was funded from decreases in general government. The \$1,601 increase in economic development and opportunity was due to a \$1,322 increase in budget carry forwards and \$279 was funded from decreased budget transfers in the general fund. The \$5,423 increase in transfers was due to \$2,811 in budget carry forwards and \$2,612 was funded from various government functions for the Brooks City-Base project.

Final budgeted appropriations for the General Fund were \$614,706 while actual expenditures were \$596,905, creating a positive variance of \$17,801 in the following functions. Significant variances are as follows:

- General Government had a \$12,139 positive variance composed of \$3,803 of budgeted salaries, \$2,403 of anticipated payments to the Bexar County Detention Center and \$5,933 of appropriations identified for various one-time projects yet to be completed

- Public Safety had a positive variance in the amount of \$3,263 attributable to \$1,316 in savings in salaries in the Police Department, \$950 in contractual services due to an unrealized budgeted increase in police clothing allowance and an adjustment for the Public Safety Radio Project, \$90 in unrealized capital expenditures, \$473 in unrealized commodities such as supplies and repairs and maintenance, and \$434 in unrealized insurance expenditures
- Culture and Recreation had a \$2,648 positive variance composed of \$1,720 of savings in temporary services and salaries in the Parks and Recreation Department, \$237 of savings in salaries in the Library Department, \$576 of unrealized commodities such as supplies, library resources, and repairs and maintenance, and \$115 of savings in other expenditures such as insurance
- Transfers to other funds reflect a negative variance in the amount of \$1,221 due to the inclusion of the Human Development Fund actual net activities in the amount of \$1,448 which are budgeted in a Special Revenue Fund. For presentation purposes the Human Development Fund is included with the General Fund. In addition, there were \$227 of budgeted transfers, which were not made during the fiscal year.

The following charts provide a comparison of the City's budget appropriations.



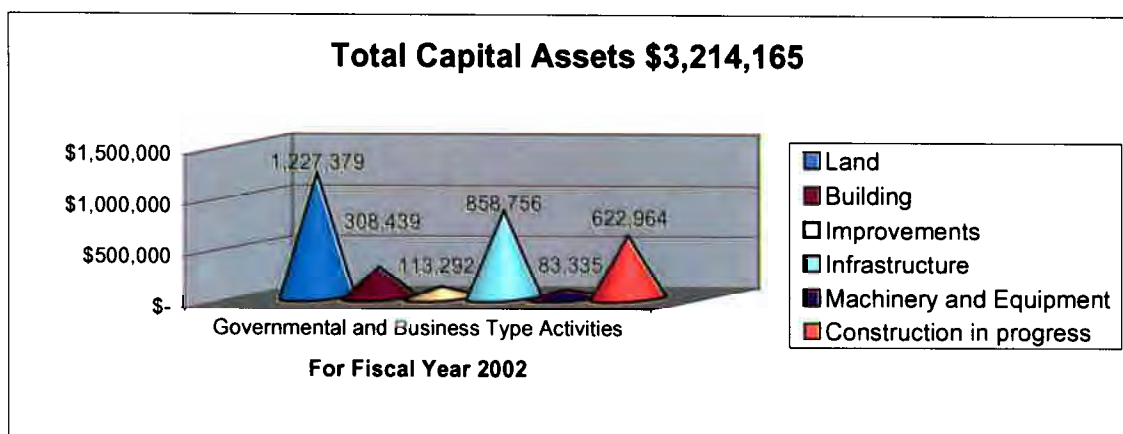
## Capital Assets

The City of San Antonio's investment in capital assets for its governmental and business-type activities as of September 30, 2002, amounts to \$3,214,165 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 2.15 percent (3.53 percent decrease of governmental activities and a 5.68 percent increase for business-type activities). The City's infrastructure assets are included in fiscal year 2002.

The following schedule provides a summary of the City's capital assets:

### Capital Assets (Net of Depreciation) As of September 30, 2002

	Governmental Activities	Business-type Activities	Total Primary Government
Land	\$ 1,215,391	\$ 11,988	\$ 1,227,379
Buildings	233,466	74,973	308,439
Improvements	26,747	86,545	113,292
Infrastructure	858,756		858,756
Machinery and Equipment	78,899	4,436	83,335
Construction in progress	524,898	98,066	622,964
<b>Total capital assets</b>	<b>\$ 2,938,157</b>	<b>\$ 276,008</b>	<b>\$ 3,214,165</b>



### Change in Capital Assets September 30, 2002

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 3,038,497	\$ 261,162	\$ 3,299,659
Additions	134,174	23,449	157,623
Deletions	(153,222)	(1,517)	(154,739)
Accumulated Depreciation	(81,292)	(7,086)	(88,378)
<b>Total</b>	<b>\$ 2,938,157</b>	<b>\$ 276,008</b>	<b>\$ 3,214,165</b>

Additional information on the City's capital assets can be found in Note 4 of the notes to the financial statements.

## Debt Administration

At the end of the current fiscal year, the City of San Antonio had a total of \$1,293,801 in bonds, certificates, revenue bonds and commercial paper outstanding, an increase of 16% over last year. Additional information on the City of San Antonio's long-term debt, including descriptions of the new issues, can be found in Note 6 in the Notes to the Financial Statements.

### City of San Antonio's Outstanding Debt September 30, 2002

	Governmental Activities	Business-type Activities	Total
Bonds Payable:			
General Obligation Bonds	\$ 669,473	\$ 12,855	\$ 682,328
Tax-Exempt Commercial Paper	20,800		20,800
Tax-Exempt Certificate of Obligation	145,405	915	146,320
Taxable Certificate of Obligation	9,780		9,780
Revenue bonds	179,393	255,180	434,573
Total	<u>\$ 1,024,851</u>	<u>\$ 268,950</u>	<u>\$ 1,293,801</u>

On September 30, 2001, outstanding general obligation and revenue bonds, certificates, and commercial paper debt totaled \$1.112 billion. In November 2001, the City issued additional debt in the amount of \$150 million. The \$150 million was comprised of \$84,945 in general obligation bonds and \$65,195 in tax-exempt certificates of obligation. The general obligation bonds and certificates of obligation are to be utilized to fund capital improvement projects to include streets, drainage, flood control, park, and public safety. Also, a portion of the general obligation bonds was used to redeem \$15 million in commercial paper, and refund \$6 million of the City's outstanding tax supported debt. Additionally, in May 2002, the City issued \$251 million in general obligation forward refunding bonds, which were used to refund \$256 million of the City's outstanding tax supported debt.

In March 2002, the City issued \$130 million in Airport System Revenue Bonds. Proceeds of the bonds will be used to fund airport system improvements and renovations.

Standard & Poor's, Moody's and Fitch's underlying rating for City obligations are as follows:

	Std&Poor's	Moody's	Fitch
General Obligation/ Certificate of Obligation	AA+	Aa2	AA+
Airport	A+	A1	A+
Airport PFC	A-	A2	A+
Convention Center	A+	A	A
Parking	A+	A2	A+

The Constitution of the State of Texas and the City Charter limit the amount of debt the City may incur. The City Charter establishes a limitation on the general obligation debt supported by ad valorem taxes to an amount not to exceed 10% of the total assessed valuation. The total assessed valuation for the fiscal year ending 2002 was \$44,120,535, which provides a debt ceiling of \$4,412,054.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's position for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, P.O. Box 839966, San Antonio, TX 78283-3966.







***City of San Antonio  
Texas***

***Basic Financial Statements***

## CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF NET ASSETS****AS OF SEPTEMBER 30, 2002**

(In Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 156,717	\$ 4,507	\$ 161,224	\$ 321,832
Investments	316,598	11,289	327,887	37,996
Receivables (net)	109,955	6,572	116,527	146,213
Due from Fiduciary Funds	344		344	
Due from Other Governmental Agencies	36,704		36,704	1,873
Internal Balances	3,283	(3,283)		
Inventories of Materials and Supplies, at Cost	6,051	663	6,714	104,639
Prepaid Expenses	32	17	49	29,018
Deposits	1,064		1,064	
Restricted Assets:				
Cash and Cash Equivalents		52,229	52,229	64,287
Investments		145,592	145,592	1,000,115
Receivables - Accrued Interest		426	426	8,757
Prepaid Expenses		478	478	
Capital Assets:				
Non-depreciable	1,740,289	110,054	1,850,343	667,796
Depreciable, net	1,197,868	165,954	1,363,822	5,622,460
Prepaid Rent Long Term - Leaseback				575,551
Unamortized Debt Expense	1,495	4,380	5,875	33,122
Total Assets	<u>3,570,400</u>	<u>498,878</u>	<u>4,069,278</u>	<u>8,613,659</u>
<u>Liabilities</u>				
Accounts Payable and Other Current Liabilities	98,919	10,205	109,124	200,633
Deferred Revenues	19,929	784	20,713	130
Accrued Interest	7,966	4	7,970	
Accrued Bond and Certificate Interest		3,640	3,640	5,595
Due to Other Governmental Agencies	2,314		2,314	2,546
Noncurrent Liabilities:				
Due within one year	106,568	8,839	115,407	107,012
Due in more than one year	1,078,151	265,047	1,343,198	4,576,462
Total Liabilities	<u>1,313,847</u>	<u>288,519</u>	<u>1,602,366</u>	<u>4,892,378</u>
<u>Net Assets</u>				
Invested in Capital Assets, net of related debt	2,036,269	152,261	2,188,530	2,650,990
Restricted for:				
Debt Service	91,340	28,650	119,990	22,192
Capital Projects				7,400
Specific Purpose Programs	13,698		13,698	
Operations and Maintenance		1,660	1,660	
Equipment Renewal and Replacement		1,500	1,500	721,193
Improvement and Contingency		20,267	20,267	
Perpetual Care:				
Expendable	1,740		1,740	
Nonexpendable	1,378		1,378	
Other purposes	1,537		1,537	
Unrestricted	110,591	6,021	116,612	319,506
Total Net Assets	<u>\$ 2,256,553</u>	<u>\$ 210,359</u>	<u>\$ 2,466,912</u>	<u>\$ 3,721,281</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary Government:				
Governmental Activities:				
General Government	\$ 77,887	\$ 47,835	\$ 395	\$ 0
Public Safety	414,382	18,897	10,821	1,331
Public Works	131,010	22,062	1,672	12,235
Sanitation	7,909			
Health Services	78,662	14,438	21,991	
Environmental Protection and Control	194		17	374
Culture and Recreation	76,400	10,817	6,448	1,035
Convention and Tourism	49,754	18,148		
Conservation	15			63
Urban Redevelopment and Housing	17,038		16,031	830
Welfare	133,818	230	110,669	5
Economic Development Opportunity	27,322	1,394	15,805	527
Commercial Paper Fees	13			
Interest on Long-term Debt	54,628			
Total governmental activities	1,069,032	133,821	183,849	16,400
Business-type Activities				
Airport System	41,941	40,119	5,040	
Parking Facilities	8,693	7,978		
Environmental Services	48,223	46,717		
Total business-type activities	98,857	94,814	5,040	
Total primary government	\$ 1,167,889	\$ 228,635	\$ 188,889	\$ 16,400
Component units:				
San Antonio Water System	134,067	134,705	0	6,950
City Public Service	1,223,532	1,200,846		73,096
Other Component Units	39,004	31,403		16,480
Total component units	\$ 1,396,603	\$ 1,366,954	\$ 0	\$ 96,526

## General Revenues:

## Taxes:

Property Taxes  
General Sales and Use Taxes  
Selective Sales and Use Taxes  
Gross Receipts Business Taxes  
Occupancy Taxes  
Penalties and Interest on Delinquent Taxes

## Revenues from Utilities

## Investment Earnings

## Net (Decrease) in Fair Value of Investments

## Miscellaneous

## Gain (Loss) on Sale of Capital Assets

## Capital Contributions

## Transfers (net)

## Total General Revenues, Special Items, and Transfers

## Cumulative Effect of Change in Accounting Policy

## Change in Net Assets

## Net Assets - Beginning

## Net Assets - Ending

The accompanying notes are an integral part of these financial statements.

## CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
\$ (29,657)	\$ 0	\$ (29,657)	
(383,333)		(383,333)	
(95,041)		(95,041)	
(7,909)		(7,909)	
(42,233)		(42,233)	
197		197	
(58,100)		(58,100)	
(31,606)		(31,606)	
48		48	
(177)		(177)	
(22,914)		(22,914)	
(9,596)		(9,596)	
(13)		(13)	
(54,628)		(54,628)	
(734,962)		(734,962)	
	3,218	3,218	
	(715)	(715)	
	(1,506)	(1,506)	
	997	997	
(734,962)	997	(733,965)	
			\$ 7,588
			50,410
			8,879
0	0	0	66,877
225,740	0	225,740	0
157,593		157,593	
3,628		3,628	
22,518		22,518	
45,007		45,007	
5,105		5,105	
171,632		171,632	
13,504	3,365	16,869	57,648
(423)	(74)	(497)	
12,269	7,610	19,879	13,844
1,703	50	1,753	(159)
481		481	
2,072	(2,072)		
660,829	8,879	669,708	71,333
			139,074
(74,133)	9,876	(64,257)	277,284
2,330,686	200,483	2,531,169	3,443,997
\$ 2,256,553	\$ 210,359	\$ 2,466,912	\$ 3,721,281

The accompanying notes are an integral part of these financial statements.

## CITY OF SAN ANTONIO, TEXAS

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AS OF SEPTEMBER 30, 2002**  
(In Thousands)

	MAJOR FUNDS			NONMAJOR	TOTAL
	GENERAL	DEBT SERVICE	GENERAL OBLIGATION BONDS	GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
<u>Assets</u>					
Cash and Cash Equivalents	\$ 4,087	\$ 25,006	\$ 28,423	\$ 85,954	\$ 143,470
Investments	8,080	63,659	68,665	143,446	283,850
Receivables	81,881	10,345	193	88,782	181,201
Allowance for Uncollectibles	(8,321)	(1,217)	(26)	(62,488)	(72,052)
Prepaid Expenditures	27			5	32
Due from Other Funds	12,435	325		2,549	15,309
Due from Other Governmental Agencies	381		2,292	33,756	36,429
Inventories of Materials and Supplies, at Cost	2,659			1,685	4,344
Deposits				353	353
<u>Total Assets</u>	<u>\$ 101,229</u>	<u>\$ 98,118</u>	<u>\$ 99,547</u>	<u>\$ 294,042</u>	<u>\$ 592,936</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Vouchers Payable	\$ 2,435	\$ 0	\$ 2,579	\$ 20,936	\$ 25,950
Accounts Payable - Other	2,304		3,176	14,749	20,229
Accrued Payroll	3,458			1,590	5,048
Accrued Leave Payable	4,823			937	5,760
Deferred Revenues	25,729	8,722	2,291	14,057	50,799
Due To:					
Other Funds	28	48	101	27,614	27,791
Other Governmental Agencies				1,603	1,603
<u>Total Liabilities</u>	<u>38,777</u>	<u>8,770</u>	<u>8,147</u>	<u>81,486</u>	<u>137,180</u>
Fund Balances:					
Reserved:					
Reserved for Encumbrances	6,108		38,572	192,654	237,334
Reserved for Inventories	2,659			1,685	4,344
Reserved for Prepaid Expenditures	27			5	32
Reserved for Debt Service		69,857			69,857
Reserved for Convention Center Project		19,406			19,406
Reserved for Other Restricted Purposes		85			85
Unreserved:					
Designated	33,861				33,861
Designated: Special Revenue Funds				15,725	15,725
Designated: Permanent Funds				2,711	2,711
Undesignated	19,797		52,828		72,625
Undesignated: Special Revenue Funds				60,311	60,311
Undesignated: Capital Projects Funds				(71,742)	(71,742)
Undesignated: Permanent Funds				11,207	11,207
<u>Total Fund Balances</u>	<u>62,452</u>	<u>89,348</u>	<u>91,400</u>	<u>212,556</u>	<u>455,756</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 101,229</u>	<u>\$ 98,118</u>	<u>\$ 99,547</u>	<u>\$ 294,042</u>	<u>\$ 592,936</u>

The accompanying notes are an integral part of these financial statements.

———— CITY OF SAN ANTONIO, TEXAS ————

**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL ACTIVITIES**  
**AS OF SEPTEMBER 30, 2002**  
(In Thousands)

Fund Balances - Total Governmental Funds	\$	455,756
--	----	---------

Amounts reported for governmental activities in the Statement of  
Net Assets are different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the governmental funds.

Governmental capital assets		
Land and Land Improvements	1,215,391	
Construction In Progress	524,898	
Buildings	367,649	
Improvements	59,395	
Infrastructure Assets	1,939,300	
Machinery and Equipment	48,499	
Less: Accumulated Depreciation	<u>(1,259,290)</u>	
Total Capital Assets		2,895,842

Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not reported in the governmental funds.		31,435
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Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Assets.		60,535
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Long-term liabilities, including bonds payable, are not due and payable  
in the current period and, therefore, are not reported in the governmental funds.

Governmental bonds payable	(1,042,630)	
Premium on bonds	(18,674)	
Deferred Amount on Refunding	556	
Leases Payable	(7,592)	
Amounts received from notes & loans	(3,374)	
Unamortized Debt Expense	1,495	
Accrued Interest	(7,964)	
Arbitrage Rebate	(1,580)	
Compensated Absences	<u>(107,252)</u>	
		<u>(1,187,015)</u>

Net assets of governmental activities	\$	<u><u>2,256,553</u></u>
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	MAJOR FUNDS			NONMAJOR	TOTAL
	GENERAL	DEBT SERVICE	GENERAL OBLIGATION BONDS	GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
<b>Revenues</b>					
Taxes:					
Property Taxes	\$ 139,336	\$ 87,979	\$ 0	\$ 284	\$ 227,599
General Sales and Use Taxes	140,085			17,508	157,593
Selective Sales and Use Taxes	3,628				3,628
Gross Receipts Business Taxes	26,042				26,042
Occupancy Taxes				45,007	45,007
Penalties and Interest on Delinquent Taxes	1,822	1,185		57	3,064
Licenses and Permits	13,302				13,302
Intergovernmental	2,889		2,921	181,018	186,828
Revenues from Utilities	171,234				171,234
Charges for Services	24,631			59,942	84,573
Fines and Forfeits	10,829				10,829
Miscellaneous	10,296		108	13,483	23,887
Interest	1,879	3,520	2,237	4,773	12,409
Net (Decrease) in Fair Value of Investments	(120)		(74)	(159)	(353)
In-Kind Contributions				14,504	14,504
Total Revenues	<u>545,853</u>	<u>92,684</u>	<u>5,192</u>	<u>336,417</u>	<u>980,146</u>
<b>Expenditures</b>					
Current:					
General Government	56,155			8,678	64,833
Public Safety	350,756			13,484	364,240
Public Works	10,180			56,949	67,129
Health Services	13,934			62,608	76,542
Environmental Protection and Control				391	391
Sanitation	2,654				2,654
Welfare	16,991			116,169	133,160
Culture and Recreation	59,454			15,531	74,985
Convention and Tourism				49,764	49,764
Conservation				63	63
Urban Redevelopment and Housing				17,469	17,469
Economic Development and Opportunity	7,330			18,578	25,908
Capital Projects			37,652	80,285	117,937
Debt Service:					
Principal Retirement		66,295			66,295
Interest		49,092			49,092
Issuance Costs		1,656			1,656
Total Expenditures	<u>517,454</u>	<u>117,043</u>	<u>37,652</u>	<u>439,969</u>	<u>1,112,118</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	<u>28,399</u>	<u>(24,359)</u>	<u>(32,460)</u>	<u>(103,552)</u>	<u>(131,972)</u>
<b>Other Financing Sources (Uses)</b>					
Long-Term Debt Issued		261,930	62,925	65,195	390,050
Payments to Refunded Bond Escrow Agent		(257,467)			(257,467)
Amounts from Notes and Loans				3,374	3,374
Redemption of General Commercial Paper		(15,000)			(15,000)
Premium on Long-term Debt		13,113	2,050	4,385	19,548
Transfers In	11,198	22,834	3,159	126,628	163,819
Transfers Out	(73,343)		(288)	(87,913)	(161,544)
Total Other Financing Sources (Uses)	<u>(62,145)</u>	<u>25,410</u>	<u>67,846</u>	<u>111,669</u>	<u>142,780</u>
<b>Net Change in Fund Balances</b>	<u>(33,746)</u>	<u>1,051</u>	<u>35,386</u>	<u>8,117</u>	<u>10,808</u>
Fund Balances, October 1	<u>96,198</u>	<u>88,297</u>	<u>56,014</u>	<u>204,439</u>	<u>444,948</u>
Fund Balances, September 30	<u>\$ 62,452</u>	<u>\$ 89,348</u>	<u>\$ 91,400</u>	<u>\$ 212,556</u>	<u>\$ 455,756</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF SAN ANTONIO, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

(In Thousands)

Net change in Fund Balances - Total Governmental Funds \$ 10,808

Amounts reported for governmental activities in the Statement of  
Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets  
is depreciated over their estimated useful lives and reported as  
depreciation expense. This is the amount by which capital outlays exceed  
depreciation in the current period.

Expenditures for capital assets	115,968	
Less current year depreciation	(77,304)	38,664

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		5,780
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Bond proceeds provide current financial resources to  
governmental funds, but issuing debt increases long-term  
liabilities in the Statement of Net Assets. Repayment of bond  
principal is an expenditure in the governmental funds, but the  
repayment reduces long-term liabilities in the Statement of Net  
Assets. This is the amount by which proceeds exceeded  
repayments.

Bond and loan amounts	(412,972)	
Bond costs	1,554	
Redemption of commercial paper	15,000	
Payments to Escrow Agent	257,467	
Amortization of Bond Premiums and Deferred Charges (net)	385	
Principal payments	66,295	(72,271)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(39,235)
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Internal service funds are used by management to charge the  
cost of certain activities to individual funds.

The net (expense) of the internal service funds is reported with governmental activities.		(17,879)
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Change in net assets of governmental activities	\$	(74,133)
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## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**AS OF SEPTEMBER 30, 2002**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	NONMAJOR ENTERPRISE FUND- ENVIRONMENTAL SERVICES	TOTAL	INTERNAL SERVICE FUNDS
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 3,556	\$ 331	\$ 620	\$ 4,507	\$ 13,247
Investments	8,924	851	1,514	11,289	32,748
Receivables:					
Other Accounts	2,427	70	1	2,498	121
Less: Allowance for Uncollectibles	(488)	(69)		(557)	
Accrued Interest	26	2	6	34	115
Accrued Revenue	787	33	3,777	4,597	7
Due From Other Funds					22,329
Due From Other Governmental Agencies					441
Less: Allowance for Uncollectibles					(166)
Inventories	580	68	15	663	1,707
Prepaid Expenses	17			17	
Deposits					711
Total Current Assets	<u>15,829</u>	<u>1,286</u>	<u>5,933</u>	<u>23,048</u>	<u>71,260</u>
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	3,546	121		3,667	
Investments	27,488	939		28,427	
Prepaid Expenses	478			478	
Receivables-Accrued Interest	152	4		156	
Due From Other Funds		48		48	
Construction Accounts:					
Cash and Cash Equivalents	38,335	3,881	122	42,338	
Investments	92,424	9,357	293	102,074	
Receivables-Accrued Interest	221	22	1	244	
Operations and Maintenance:					
Cash and Cash Equivalents		486		486	
Investments		1,171		1,171	
Receivables-Accrued Interest		3		3	
Improvement and Contingency Accounts:					
Cash and Cash Equivalents	5,063	439	149	5,651	
Investments	12,294	1,058	358	13,710	
Receivables-Accrued Interest	13	2	1	16	
Due from Other Funds	2,621			2,621	
Other Restricted Accounts:					
Cash and Cash Equivalents	87			87	
Investments	210			210	
Receivables-Accrued Interest	7			7	
Total Restricted Assets	<u>182,939</u>	<u>17,531</u>	<u>924</u>	<u>201,394</u>	
Capital Assets:					
Land	2,970	8,125	893	11,988	
Buildings	112,133	18,985	46	131,164	178
Improvements Other Than Buildings	145,825	1,639	3,025	150,489	194
Machinery and Equipment	10,282	759	3,423	14,464	102,194
Construction in Progress	86,651	10,916	499	98,066	
Total Capital Assets	<u>357,861</u>	<u>40,424</u>	<u>7,886</u>	<u>406,171</u>	<u>102,566</u>
Less: Accumulated Depreciation	<u>118,883</u>	<u>8,667</u>	<u>2,613</u>	<u>130,163</u>	<u>60,251</u>
Net Capital Assets	<u>238,978</u>	<u>31,757</u>	<u>5,273</u>	<u>276,008</u>	<u>42,315</u>
Unamortized Debt Expense	3,710	670		4,380	
Total Assets	<u>\$ 441,456</u>	<u>\$ 51,244</u>	<u>\$ 12,130</u>	<u>\$ 504,830</u>	<u>\$ 113,575</u>

The accompanying notes are an integral part of these financial statements.

## — CITY OF SAN ANTONIO, TEXAS —

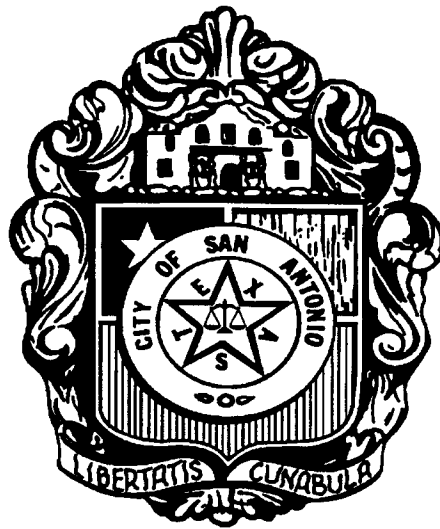
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**AS OF SEPTEMBER 30, 2002**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	NONMAJOR ENTERPRISE FUND- ENVIRONMENTAL SERVICES	TOTAL	INTERNAL SERVICE FUNDS
<b>LIABILITIES</b>					
Current Liabilities:					
Vouchers Payable	\$ 251	\$ 9	\$ 734	\$ 994	\$ 2,651
Accounts Payable-Other	5,129	76	1,639	6,844	41,161
Accrued Payroll	247	65	347	659	508
Accrued Leave Payable	140	20	127	287	180
Deferred Revenues	784			784	
Accrued Interest			4	4	2
Due to Other Funds	2,173			2,173	9,521
Total Current Liabilities (Payable from Current Assets)	8,724	170	2,851	11,745	54,023
Current Liabilities (Payable from Restricted Assets)					
Vouchers Payable	1,688	1	19	1,708	
Accrued Bond and Certificate Interest	3,356	284		3,640	
Current Portion of Bonds and Certificates	6,185	1,140		7,325	
Due to Other Funds	478			478	
Lease Purchase			133	133	370
Other Payables	649	445		1,094	
Total Current Liabilities (Payable from Restricted Assets)	12,356	1,870	152	14,378	370
Total Current Liabilities	21,080	2,040	3,003	26,123	54,393
Noncurrent Liabilities					
Revenue Bonds (Net of Current Portion)	224,150	24,845		248,995	
General Obligation Bonds and Certificates (Net of Current Portion)		12,630		12,630	
Unamortized Premium on New Series Bonds	436	481		917	
Less: Deferred Amount on Refunding		(528)		(528)	
Accrued Leave Payable	700	103	633	1,436	902
Lease Purchase			544	544	335
Due to Other Governmental Agencies					711
Other Payables			1,053	1,053	
Total Noncurrent Liabilities	225,286	37,531	2,230	265,047	1,948
Total Liabilities	246,366	39,571	5,233	291,170	56,341
<b>NET ASSETS</b>					
Invested In Capital Assets, net of related debt	140,596	6,672	4,993	152,261	41,610
Restricted:					
Debt Service	27,822	828		28,650	
Operations and Maintenance		1,660		1,660	
Renewal and Replacement		1,500		1,500	
Improvements and Contingency	20,267			20,267	
Unrestricted	6,405	1,013	1,904	9,322	15,624
Total Net Assets	\$ 195,090	\$ 11,673	\$ 6,897	\$ 213,660	\$ 57,234
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(3,301)	
Net assets of business-type activities.				\$ 210,359	

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL
	ENTERPRISE FUNDS		NONMAJOR		ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	ENTERPRISE FUND- ENVIRONMENTAL SERVICES	TOTAL	INTERNAL SERVICE FUNDS
Operating Revenues					
Charges for Services	\$ 40,119	\$ 7,978	\$ 46,717	\$ 94,814	\$ 132,983
Total Operating Revenues	<u>40,119</u>	<u>7,978</u>	<u>46,717</u>	<u>94,814</u>	<u>132,983</u>
Operating Expenses					
Personal Services	15,243	3,699	21,547	40,489	30,081
Contractual Services	4,796	1,175	20,256	26,227	69,015
Commodities	1,121	198	2,873	4,192	5,113
Materials					14,908
Other	928	510	1,745	3,183	26,347
Depreciation	7,376	591	290	8,257	15,397
Total Operating Expenses	<u>29,464</u>	<u>6,173</u>	<u>46,711</u>	<u>82,348</u>	<u>160,861</u>
Operating Income (Loss)	<u>10,655</u>	<u>1,805</u>	<u>6</u>	<u>12,466</u>	<u>(27,878)</u>
Nonoperating Revenues (Expenses)					
Interest and Other	2,889	390	86	3,365	1,395
Net (Decrease) in Fair Value of Investments	(42)	(25)	(7)	(74)	(79)
Other Nonoperating Revenue	7,398	17	195	7,610	3,444
Gain (Loss) on Sale of Fixed Assets	22	(19)	47	50	1,703
Interest and Debt Expense	(10,784)	(2,128)	(11)	(12,923)	(43)
Other Nonoperating Expense	(239)	(46)		(285)	
Total Nonoperating Revenues (Expenses)	<u>(756)</u>	<u>(1,811)</u>	<u>310</u>	<u>(2,257)</u>	<u>6,420</u>
Change in Net Assets Before Contributions and Transfers	<u>9,899</u>	<u>(6)</u>	<u>316</u>	<u>10,209</u>	<u>(21,458)</u>
Capital Contributions	5,040			5,040	481
Transfers In (Out)					
Transfers In		350		350	5,139
Transfers Out	(1,288)	(306)	(828)	(2,422)	(5,342)
Total Transfers	<u>(1,288)</u>	<u>44</u>	<u>(828)</u>	<u>(2,072)</u>	<u>(203)</u>
Change In Net Assets	13,651	38	(512)	13,177	(21,180)
Net Assets - Beginning	181,439	11,635	7,409		78,414
Net Assets - Ending	<u>\$ 195,090</u>	<u>\$ 11,673</u>	<u>\$ 6,897</u>	<u>\$ (3,301)</u>	<u>\$ 57,234</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					
Change in net assets of business-type activities.					\$ 9,876
The accompanying notes are an integral part of these financial statements.					



— CITY OF SAN ANTONIO, TEXAS —  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2002  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES	
	NONMAJOR ENTERPRISE FUND-			TOTALS	INTERNAL SERVICE FUNDS	
	AIRPORT SYSTEM	PARKING FACILITIES	ENVIRONMENTAL SERVICES			
Cash Flows from Operating Activities						
Cash Received from Customers	\$ 40,422	\$ 8,058	\$ 46,069	\$ 94,549	\$	133,167
Cash Payments to Suppliers for Goods and Services	(8,123)	(1,931)	(24,848)	(34,902)		(114,419)
Cash Payments to Employees for Service	(15,433)	(3,669)	(21,507)	(40,609)		(30,086)
Other Nonoperating Revenues	7,398	17	195	7,610		3,444
Net Cash Provided by (Used for) Operating Activities	24,264	2,475	(91)	26,648		(7,894)
Cash Flows from Non-Capital Financing Activities						
Transfers In from Other Funds		352		352		4,948
Transfers Out to Other Funds	(1,440)	(306)	(1,038)	(2,784)		(18,539)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(1,440)	46	(1,038)	(2,432)		(13,591)
Cash Flows from Capital and Related Financing Activities						
Acquisitions and Construction of Capital Assets	(14,081)	(2,929)	(73)	(17,083)		(15,967)
Proceeds from Issuance of Long-Term Debt	130,857			130,857		(99)
Principal Payments on Long-Term Debt	(5,080)	(1,220)	(32)	(6,332)		(4)
Interest Paid on Long-Term Debt	(9,012)	(2,154)	(7)	(11,173)		(315)
Debt Issuance	(2,265)			(2,265)		(41)
Principal Payments on Notes						2,521
Interest Paid on Notes						(13,905)
Proceeds from Sale of Assets	22		177	199		
Net Cash Provided by (Used for) Capital and Related Financing Activities	100,441	(6,303)	65	94,203		
Cash Flows from Investing Activities:						
Purchases of Investment Securities	(692,386)	(62,526)	(9,850)	(764,762)		(148,911)
Maturity of Investment Securities	590,621	61,022	9,808	661,451		158,788
Interest on Notes						17
Interest on Investments	2,816	483	111	3,410		1,668
Net Cash Provided by (Used for) Investing Activities	(98,949)	(1,021)	69	(99,901)		11,562
Net Increase (Decrease) in Cash and Cash Equivalents	24,316	(4,803)	(995)	18,518		(23,828)
Cash and Cash Equivalents, October 1	26,271	10,061	1,886	38,218		37,075
Cash and Cash Equivalents, September 30	\$ 50,587	\$ 5,258	\$ 891	\$ 56,736	\$	13,247

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES	
	AIRPORT SYSTEM	PARKING FACILITIES	NONMAJOR ENTERPRISE FUND- ENVIRONMENTAL SERVICES	TOTALS	INTERNAL SERVICE FUNDS	
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities						
Operating Income (Loss)	\$ 10,655	\$ 1,805	\$ 6	\$ 12,466	\$	(27,878)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	7,376	591	290	8,257		15,397
Other Nonoperating Revenues	7,398	17	195	7,610		3,444
Changes in Assets and Liabilities:						
(Increase) In Other Accounts Receivable	(155)	(70)	(1)	(226)		(27)
Decrease In Allowance for Uncollectibles	46	70		116		166
(Increase) Decrease In Accrued Revenues	(36)	79	(647)	(604)		47
Decrease In Due from Other Funds						217
Decrease In Due from Other Gov'tl Agencies						77
(Increase) Decrease In Inventories	(9)	(31)	3	(37)		365
(Increase) In Prepaid Expenses	(29)			(29)		
Decrease In Deposits			13	13		78
Increase (Decrease) In Vouchers Payable	78	(21)	(92)	(35)		249
Increase (Decrease) In Other Payables	(1,318)	5	101	(1,212)		(45)
Increase In Due to Other Funds						21
Increase In Accrued Payroll	52	13	40	105		2
Increase (Decrease) In Accrued Leave Payable	(242)	17	1	(224)		(7)
Increase In Deferred Revenue	448			448		
Net Cash Provided by (Used for) Operating Activities	\$ 24,264	\$ 2,475	\$ (91)	\$ 26,648	\$	(7,894)
Noncash Investing, Capital and Financing Activities:						
Acquisitions and Construction of Capital Assets from Capital Contributions	\$ 5,040	\$	\$	\$ 5,040	\$	481
Net (Decrease) in Fair Value of Investments	\$ (42)	\$ (25)	\$ (7)	\$ (74)	\$	(79)

The accompanying notes are an integral part of these financial statements.

## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF FIDUCIARY NET ASSETS/BALANCE SHEET**  
**FIDUCIARY FUNDS**  
**AS OF SEPTEMBER 30, 2002**  
(In Thousands)

<u>ASSETS</u>	FIRE AND POLICE PENSION AND HEALTH CARE FUNDS	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 71,199	\$ 11	\$ 7,446
Security Lending Collateral	125,235		
Investments, at fair value:			
US Government and Agency Issues	147,167	27	53
Corporate Bonds	140,838		
Preferred Common Stock	612,282		
Other	269,724		
Total Investments, at fair value	<u>1,170,011</u>	<u>27</u>	<u>53</u>
Receivables:			
Other Accounts	11,348		284
Accrued Interest	6,531		2
Accrued Revenue	566		
Prepayments	13		
Total Current Assets	<u>1,384,903</u>	<u>38</u>	<u>7,785</u>
<u>Capital Assets</u>			
Computer Equipment	76		
Buildings	556		
Total Capital Assets	<u>632</u>		
Less: Accumulated Depreciation	278		
Net Capital Assets	<u>354</u>		
Total Assets	<u>1,385,257</u>	<u>38</u>	<u>\$ 7,785</u>
<u>LIABILITIES</u>			
Vouchers Payable	1,332	3	1,448
Accounts Payable- Other	33,166		5,993
Accrued Payroll	38		
Due to Other Funds			344
Securities Lending	125,235		
Total Liabilities	<u>159,771</u>	<u>3</u>	<u>\$ 7,785</u>
<u>NET ASSETS</u>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,225,486</u>	<u>\$ 35</u>	

The accompanying notes are an integral part of these financial statements.

## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	FIRE AND POLICE PENSION AND HEALTH CARE FUNDS	PRIVATE PURPOSE TRUST FUNDS
<b>ADDITIONS:</b>		
<u>Contributions:</u>		
Employer	\$ 58,969	\$
Employee	23,030	
Other Contributions		21
Total Contributions	<u>81,999</u>	<u>21</u>
<u>Investment Earnings:</u>		
Net (Decrease) in Fair Value of Investments	(154,836)	
Real Estate Income, net	180	
Interest and Dividends	33,530	1
Securities Lending	2,395	
Other Income	286	
Total Investment Earnings	<u>(118,445)</u>	<u>1</u>
Less Investment Expenses:		
Investment Management Fees and Custodian Fees	(5,036)	
Securities Lending Expenses:		
Borrower Rebates	(1,874)	
Lending Fees	<u>(181)</u>	
Net Investment Income	<u>(125,536)</u>	<u>1</u>
Total Additions	<u>(43,537)</u>	<u>22</u>
<u>DEDUCTIONS:</u>		
Benefits	69,706	
Refunds of Contributions	501	
Administrative Expense	1,060	12
Salaries, Wage and Employee Benefits	613	
Total Deductions	<u>71,880</u>	<u>12</u>
Change in Net Assets	(115,417)	10
Net Assets - Beginning of Year	1,340,903	25
Net Assets - End of Year	<u>\$ 1,225,486</u>	<u>\$ 35</u>

The accompanying notes are an integral part of these financial statements.



## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**AS OF SEPTEMBER 30, 2002**  
(In Thousands)

<u>ASSETS</u>	SAN ANTONIO WATER SYSTEM	CITY PUBLIC SERVICE	NONMAJOR COMPONENT UNITS	TOTAL
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$ 0	\$ 303,593	\$ 18,239	\$ 321,832
Investments	22,902	11,019	4,075	37,996
Receivables:				
Notes			15,411	15,411
Other Accounts	22,851	97,062	3,721	123,634
Accrued Interest	537	6,528	103	7,168
Inventories of Materials and Supplies	4,029	100,610		104,639
Due from Other Governmental Agencies			1,873	1,873
Prepaid Expenses	1,072	27,227	719	29,018
Total Current Assets	<u>51,391</u>	<u>546,039</u>	<u>44,141</u>	<u>641,571</u>
<u>Restricted Assets:</u>				
Debt Service Accounts:				
Cash and Cash Equivalents	493	13,612		14,105
Investments	22,367	26,324		48,691
Receivables-Accrued Interest		655		655
Construction Accounts:				
Cash and Cash Equivalents	30,955			30,955
Investments	81,417			81,417
Repair and Replacement Account:				
Investments		588,557		588,557
Conservation Accounts:				
Investments	7,400			7,400
Other Restricted Accounts:				
Cash and Cash Equivalents		17,425	1,802	19,227
Investments	5,007	269,043		274,050
Receivables			5,716	5,716
Receivables-Accrued Interest		2,386		2,386
Total Restricted Assets	<u>147,639</u>	<u>918,002</u>	<u>7,518</u>	<u>1,073,159</u>
<u>Capital Assets:</u>				
Land	58,793	54,889	10,397	124,079
Infrastructure			36,564	36,564
Buildings			146,957	146,957
Utility Plant in Service	1,794,131	6,300,740		8,094,871
Machinery and Equipment	100,541		2,431	102,972
Construction in Progress	339,399	190,717	1,002	531,118
Utility Property Leased		18,785		18,785
Nuclear Fuel - Net		269,902		269,902
Held for Future Use		12,599		12,599
Total	<u>2,292,864</u>	<u>6,847,632</u>	<u>197,351</u>	<u>9,337,847</u>
Less: Accumulated Depreciation	<u>643,936</u>	<u>2,393,468</u>	<u>10,187</u>	<u>3,047,591</u>
Net Capital Assets	<u>1,648,928</u>	<u>4,454,164</u>	<u>187,164</u>	<u>6,290,256</u>
Prepaid Rent Long Term-Leaseback		575,551		575,551
Unamortized Debt Expense	<u>5,532</u>	<u>27,590</u>		<u>33,122</u>
Total Assets	<u>\$ 1,853,490</u>	<u>\$ 6,521,346</u>	<u>\$ 238,823</u>	<u>\$ 8,613,659</u>

The accompanying notes are an integral part of these financial statements.

## CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**AS OF SEPTEMBER 30, 2002**  
(In Thousands)

	SAN ANTONIO WATER SYSTEM	CITY PUBLIC SERVICE	NONMAJOR COMPONENT UNITS	TOTAL
<b>LIABILITIES</b>				
<u>Current Liabilities:</u>				
Accounts Payable and Other Current Liabilities	\$ 19,032	\$ 160,369	\$ 9,447	\$ 188,848
Sewer Collections Payable	190			190
Deferred Revenues			130	130
Notes Payable	516		3,626	4,142
Due to Other Governmental Agencies			2,546	2,546
Total Current Liabilities (Payable from Current Assets)	19,738	160,369	15,749	195,856
<u>Current Liabilities (Payable from Restricted Assets):</u>				
Accrued Bond and Certificate Interest	5,595			5,595
Current Portion of Bonds and Certificates	25,045	77,825		102,870
Other Payables	11,090		505	11,595
Total Current Liabilities (Payable from Restricted Assets)	41,730	77,825	505	120,060
<u>Noncurrent Liabilities:</u>				
Revenue Bonds (Net of Current Portion)	703,410	2,512,035		3,215,445
Commercial Paper	185,000	350,000		535,000
Unamortized Premium	1,639	10,542		12,181
Less: Unamortized Discount on New Series Bonds	(15,542)			(15,542)
Deferred Amount on Refunding	(8,572)	(145,729)		(154,301)
Long-Term Lease/Notes Payable	2,930	656,135	81,210	740,275
Other Payables	1,729	235,598	6,077	243,404
Total Noncurrent Liabilities	870,594	3,618,581	87,287	4,576,462
Total Liabilities	932,062	3,856,775	103,541	4,892,378
<b>NET ASSETS</b>				
Invested in Capital Assets, net of related debt	866,324	1,690,076	94,590	2,650,990
Restricted for Renewal and Replacement		720,221	972	721,193
Restricted for Debt Service	17,265		4,927	22,192
Restricted for Conservation	7,400			7,400
Unrestricted	30,439	254,274	34,793	319,506
Total Net Assets	\$ 921,428	\$ 2,664,571	\$ 135,282	\$ 3,721,281

The accompanying notes are an integral part of these financial statements.



**STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2002**  
(In Thousands)

	Program Revenues		Net (Expense) Revenue and Changes In Net Assets			
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	SAN ANTONIO WATER SYSTEM	CITY PUBLIC SERVICE	NONMAJOR COMPONENT UNITS
San Antonio Water System	\$ 134,067	\$ 134,705	\$ 6,950	\$ 7,588	\$	\$ 7,588
City Public Service	1,223,532	1,200,846	73,096		50,410	50,410
Nonmajor Component Units	39,004	31,403	16,480		8,879	8,879
Total	<u>\$ 1,396,603</u>	<u>\$ 1,366,954</u>	<u>\$ 96,526</u>	<u>\$ 7,588</u>	<u>\$ 50,410</u>	<u>\$ 66,877</u>
General Revenues:						
Investment Earnings				5,300	51,925	423
(Loss) on Disposal of Capital Assets				(159)		
Miscellaneous				5,141	7,062	6,782
Total General Revenues				<u>10,282</u>	<u>58,987</u>	<u>7,205</u>
Cumulative Effect of Change in Accounting Policy					139,074	139,074
Change in Net Assets				12,729	248,471	16,084
Net Assets - Beginning				908,699	2,416,100	119,198
Net Assets - Ending				<u>\$ 921,428</u>	<u>\$ 2,664,571</u>	<u>\$ 135,282</u>
						<u>\$ 3,721,281</u>



**TABLE OF NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of San Antonio (City) have been prepared in conformance with generally accepted accounting principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of significant accounting policies of the City.

### A. Reporting Entity

In the evaluation of how to define the City for financial reporting purposes, management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, "The Reporting Entity." The underlying concept of the financial reporting entity is that elected officials are "accountable" to their constituents for their actions. One of the objectives of this concept is to provide users of governmental financial statements with a basis for assessing the accountability of those elected officials, and accordingly, the definition of the financial reporting entity is based on accountability.

The financial reporting entity consists of: (a) the primary government (in these financial statements the primary government is the City), (b) component units, which are legally separate organizations for which the City is financially accountable (blended), and (c) component units, which the nature and significance of their relationship with the City is such that exclusion from the reporting entity's financial statements would be misleading or incomplete (discretely presented).

Using the criteria of GASB Statement No. 14 outlined below, potential component units were evaluated for inclusion or exclusion in the reporting entity, and further evaluated for financial statement presentation. Based on their individual relationships with the City, some component unit financial statements were blended as though they are part of the City and others only discretely presented.

The following criteria (as set forth in GASB Statement No. 14) were used in the evaluation of potential component units of the City:

- 1) Legally separate
- 2) Financial accountability
  - a) Appointment of a voting majority
  - b) Imposition of will
  - c) Financial benefit to or burden on the City
  - d) Fiscal dependency
- 3) The relationship with the City is such that exclusion would cause these financial statements to be misleading or incomplete.
- 4) Service rendered by the potential component unit is provided entirely or almost entirely to the City.

The criteria outlined above were excerpted from GASB Statement No. 14. For a more detailed explanation of the criteria established by this Statement, we refer the reader to the Codification of Governmental Accounting and Financial Reporting Standards, as of June 30, 2002, published by GASB, Section 2600. Based upon the application of the criteria outlined above, the following is a brief review of component units included in the reporting entity:

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(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Reporting Entity (Continued)

**Blended with the Primary Government** (the relationship among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, for inclusion in the Reporting Entity and is such that the financial statements are blended in with those of the City):

As set forth in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, the City excludes fiduciary funds and component units that are fiduciary in nature from the government-wide financial statements. The City's component units that are fiduciary in nature are the San Antonio Fire and Police Pension Fund and the San Antonio Fire and Police Retiree Health Care Fund. These component units are presented in the Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets.

#### **City of San Antonio Health Facilities Development Corporation**

The City of San Antonio Health Facilities Development Corporation (HFDC) was established by Ordinance No. 55400, dated June 3, 1982, in accordance with state laws for the purposes of, and to act on behalf of, the City as a health facilities development corporation under the Texas Health Facilities Development Act of 1981. The HFDC is authorized to issue tax-exempt health facility revenue bonds, for which the City is not obligated in any manner, to finance health related projects in support of the promotion, expansion, and improvement of health facilities. The HFDC is governed by a Board of Directors which is comprised of the City Council of the City of San Antonio.

#### **City of San Antonio Industrial Development Authority**

The City of San Antonio Industrial Development Authority (IDA) was established by Resolution No. 79-48-100 dated October 11, 1979, in accordance with state laws for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the City as an industrial development corporation under the Development Corporation Act of 1979. The IDA is authorized to issue tax-exempt industrial revenue bonds, for which the City is not obligated in any manner, to finance qualified projects which may further the promotion and development of commercial, industrial, and manufacturing enterprises to promote and encourage employment and the public welfare. The IDA is governed by a Board of Directors which is comprised of the City Council of the City of San Antonio.

#### **San Antonio Fire and Police Pension Fund**

The San Antonio Fire and Police Pension Fund (Pension Fund) is a Single Employer Defined Benefit Plan established in accordance with state law. The Pension Fund is administered by a nine member Board of Trustees, including three City Council Members. The City and Pension Fund participants are obligated to make all contributions to the Pension Fund in accordance with rates established by state law. Benefit levels are also set by state law. Services rendered by the Pension Fund are exclusively for the benefit of eligible firefighters and police officers upon retirement.

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(amounts are expressed in thousands)



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Reporting Entity (Continued)

#### **San Antonio Fire and Police Retiree Health Care Fund**

The City of San Antonio Firefighters' and Police Officers' Retiree Prefunded Group Health Plan was created in October 1989, in accordance with the provisions of the City's contracts with the local fire and police unions, respectively, to provide post employment healthcare benefits to uniformed employees who retired on or after October 1, 1989. Pursuant to the passage of Senate Bill 1568 in 1997, a separate and distinct statutory trust, the Fire and Police Retiree Health Care Fund (Health Fund), was created to provide these post employment healthcare benefits for eligible uniformed employees of the City. The Health Fund is administered by a nine member board of trustees, including three City Council Members, and is funded primarily by contributions from the City and contributions made by retirees on behalf of their dependents. City and retiree contribution rates are established pursuant to Fire and Police collective bargaining agreements.

#### **City of San Antonio Texas Municipal Facilities Corporation**

The City of San Antonio Texas Municipal Facilities Corporation (TMFC) was established in accordance with state law for the purposes of and to act on behalf of the City in acquisition, construction, equipping, financing, operation and maintenance of land and other municipal facilities for the City. The TMFC is governed by a Board of Directors which is comprised of the City Council of the City of San Antonio.

**Discretely Presented With the Primary Government** (the relationship among the following component units and the City is such that they meet the criteria, as set forth in GASB Statement No. 14, for inclusion in the reporting entity, and accordingly are included, however are such that the financial statements are discretely presented alongside, but not blended with those of the City):

#### **San Antonio Water System**

On February 13, 1992, the City Council determined it was in the best interest of the citizens of San Antonio and the customers served by the water and wastewater utilities to consolidate all water utilities, agencies, and activities into one institution. It was determined that the best mechanism for effecting the consolidation of all water systems, agencies, and activities into a single institution was through a refunding of all the then outstanding water and sewer bonds. The consolidation was consummated on May 19, 1992 with the creation of the San Antonio Water System (SAWS) which included the former City Water Board, Alamo Water Conservation and Re-use District, and the City's Sewer and Stormwater system.

Additionally, it was further determined by the City Council that the interests of the citizens and customers could best be served by placing authority for management and control of SAWS, as consolidated, in a Board of Trustees. This Board of Trustees includes the City's Mayor as an ex-officio member along with six members appointed by the City Council for four year staggered terms. The rates for user charges and bond issuance authorizations are approved by the City Council.

#### **City Public Service**

City Public Service (CPS), a municipally owned utility, provides electricity and natural gas to San Antonio and the surrounding areas. CPS is governed by a Board of Trustees which is comprised of four members appointed by City Council and the Mayor of the City as an ex-officio member. The rates for user charges and bond issuance authorizations are approved by the City Council.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Reporting Entity (Continued)

#### **San Antonio Development Agency**

The San Antonio Development Agency (SADA) was created under the provisions of the Urban Renewal Law of the State of Texas. SADA is responsible for implementing the City's Urban Renewal Program and may designate, for urban renewal, such areas, as it deems advisable, subject to approval by the City Council and the Federal Agency, which administers the overall program. SADA receives a majority of its operating funds from the City as pass-through grant funds and is governed by a seven member Board of Commissioners appointed by the City Council.

#### **San Antonio Education Facilities Corporation**

The City of San Antonio Higher Education Authority (SAHEA) was established in 1984, in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities in accordance with and subject to the provisions of Section 53.35 (b) Texas Education Code, all to be done on behalf of the City and as its duly constituted authority and instrumentality. In 2001, the SAHEA changed its name to the San Antonio Education Facilities Corporation (SAEFC). The Act authorizes the SAEFC to issue revenue bonds for these purposes on behalf of the City but the bonds are not obligations of the City. SAEFC is governed by an eleven member Board of Directors appointed by the City Council for two-year terms.

#### **Greater Kelly Development Authority**

The Greater Kelly Development Corporation (GKDC) was established in 1996 as the local development authority on an interim basis under the Development Corporation Act of 1979 for the development and redevelopment of Kelly Air Force Base (Kelly). In November 1999, the City established the Greater Kelly Development Authority (GKDA) as the successor-in-interest to the GKDC pursuant to the newly enacted Senate Bill 655. In accordance with the Act, the GKDA will have the powers previously enjoyed by the GKDC while at the same time clarifying such powers and preserving the property tax exempt status of prior commercial tenants at Kelly. The GKDA is a special district and political subdivision of the State of Texas and was established for the purpose of monitoring the proposed closing of Kelly; conducting comprehensive studies of all issues related to the closure, conversion, redevelopment, and future use of Kelly; reviewing all options relative to the most appropriate uses of Kelly and the surrounding area; formulating and adopting a comprehensive plan for the conversion and redevelopment of Kelly and submitting such plan to the appropriate agency or agencies of the federal government; and implementing such plan as it relates to Kelly and the surrounding area. The GKDA is governed by an eleven member Board of Directors, appointed by the City Council. The City Council also has the ability to remove appointed members of the organization's governing board at will. The GKDA is authorized to issue bonds to finance any project as permitted by Texas Law, but said bonds are not obligations of the City.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****A. Reporting Entity (Continued)****San Antonio Housing Trust Foundation, Inc.**

The San Antonio Housing Trust Foundation, Inc. (SAHTF) is a non-profit corporation incorporated in 1990 under the laws of the State of Texas. SAHTF was organized for the purposes of supporting charitable, educational, and scientific undertakings, specifically for providing housing for low and middle income families and to provide administrative and other support for the operations of the City of San Antonio Housing Trust Fund, a Private Purpose Trust Fund of the City. The Housing Trust Fund was established by the City for the purposes of providing additional and continuing housing opportunities for low and moderate income families; promoting public health, safety, convenience, and welfare; and revitalizing neighborhoods and the downtown area through appropriate housing activities. SAHTF is governed by an eleven member Board of Directors appointed by the City Council. SAHTF administers The San Antonio Housing Trust Finance Corporation.

**San Antonio Local Development Company, Inc.**

The San Antonio Local Development Company, Inc. (SALDC) is a non-profit corporation organized in 1978 under the laws of the State of Texas and the auspices of the City. SALDC was formed to participate in the Neighborhood Business Revitalization Program (NBRP), which is co-sponsored by the Small Business Administration (SBA), the Economic Development Administration, and the U.S. Department of Housing and Urban Development (HUD). SALDC is governed by a thirty-three member Board of Trustees, appointed by the City Council, and an eleven member Board of Directors appointed from the Board of Trustees. SALDC, under agreement with the City, administers and operates a revolving loan fund, NBRP that provides qualifying local businesses with loans under economic development programs administered by the SBA. SALDC also administers, by agreement with the City, a U.S. Department of Commerce Title IX Revolving Loan Fund, SBA MicroLoan Program and a HUD 108 Fund. Currently, SALDC has an outstanding note payable to HUD, which is guaranteed by the City.

**Brooks Development Authority**

The Brooks Development Authority (BDA) is a special district and political subdivision of the State of Texas. It was established on September 27, 2001, as a defense base development authority in accordance with state law for the purposes of and to act on behalf of the City in improving mission effectiveness, reduce the cost of providing quality installation support through improved capital asset management and promote economic development on Brooks Air Force Base and in the surrounding community. An eleven member Board of Directors appointed by the City Council governs the BDA for two-year terms and will oversee the Brooks Technology and Business Park in support of the Brooks City-Base Project.

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(amounts are expressed in thousands)

# **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

## **A. Reporting Entity (Continued)**

Essential disclosures related to the above mentioned discretely presented and blended component units are included in the complete financial statements of each of the individual component units. These statements may be obtained at the respective entity's administrative office. The addresses are as follows:

### **Discretely Presented Component Units**

San Antonio Water System  
P.O. Box 2449  
San Antonio, Texas 78298  
Contact Person: Alex Hinojosa  
Telephone No. (210) 704-7410

City Public Service  
P.O. Box 1771  
San Antonio, Texas 78296-1771  
Contact Person: Richard E. Williamson  
Telephone No. (210) 353-2397

San Antonio Development Agency  
115 E. Travis, Suite 800  
San Antonio, Texas 78205  
Contact Person: Felix Lopez  
Telephone No. (210) 225-6833 ext. 203

San Antonio Education Facilities Corporation  
P.O. Box 830504  
San Antonio, Texas 78283-0504  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

Greater Kelly Development Authority  
143 Billy Mitchell Blvd., Ste 6  
San Antonio, Texas 78226  
Contact Person: Bruce Miller  
Telephone No. (210) 362-7800

San Antonio Housing Trust Foundation, Inc.  
2515 Blanco Rd.  
San Antonio, Texas 78212  
Contact Person: John Kenny  
Telephone No. (210) 735-2772

San Antonio Local Development Company, Inc.  
P.O. Box 830505  
San Antonio, Texas 78283-0505  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

Brooks Development Authority  
8030 Challenger Drive  
Brooks City-Base, Texas 78235  
Contact Person: Virginia Cobarrubias  
Telephone No. (210) 536-6710

### **Blended Component Units**

San Antonio Health Facilities Development Corporation  
P.O. Box 830504  
San Antonio, Texas 78283-0504  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

San Antonio Industrial Development Authority  
P.O. Box 830504  
San Antonio, Texas 78283-0504  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

San Antonio Fire and Police Retiree Health Care Fund  
300 Convent Street, Suite 2500  
San Antonio, Texas 78205  
Contact Person: Paul Villarreal  
Telephone No. (210) 220-1385

San Antonio Fire and Police Pension Fund  
311 Roosevelt  
San Antonio, Texas 78210-2700  
Contact Person: Warren Schott  
Telephone No. (210) 534-3262

San Antonio Texas Municipal Facilities Corporation  
P.O. Box 839966  
San Antonio, Texas 78283  
Contact Person: Milo Nitschke  
Telephone No. (210) 207-8620

(amounts are expressed in thousands)

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **A. Reporting Entity (Continued)**

It is management's belief that to exclude essential disclosures from the City's financial statements as they pertain to CPS and SAWS would be misleading. CPS and SAWS have been identified as major discretely presented component units both as they relate to total component units and to the primary government. Therefore, relevant disclosures have been included in the City's financial statements. Discretely presented component units with different fiscal year ends from the City are the San Antonio Water System with a fiscal year end of December 31, and City Public Service with a fiscal year end of January 31. In 2001, the San Antonio Water System changed its fiscal year-end from May 31 to December 31. Please refer to Note 1S for more information.

### **Related Organizations**

The City Council appoints the members to the Board of Directors for the San Antonio Housing Authority. However, the City's accountability for this entity does not extend beyond making appointments to the Board of Directors and the coordination and approval of strategic plans.

### **B. Basic Financial Statements – GASB Statement No. 34**

Effective October 1, 2001, the City implemented the provisions of GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments". In conjunction with the implementation of GASB Statement No. 34, the City has also implemented GASB Statement No. 37, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus, an amendment of GASB Statement No. 21 and No. 34", as well as a portion of GASB Statement No. 38, "Certain Financial Statement Note Disclosures", and GASB Interpretation No. 6, "Measurement and Recognition for Certain Liabilities and Expenditures in Governmental Funds". These statements comply with the requirements of the new reporting model. The significant changes in accounting due to the adoption of these standards include the addition of management's discussion and analysis, the presentation of net assets and the categorization thereof, the use of the accrual basis of accounting in the government-wide financial statements, the inclusion of certain required supplementary information, the elimination of the effects of internal service fund activities, reflecting depreciation on capital assets, the focus on major funds and the removal of non-matured arbitrage and compensated absence liabilities from the governmental funds.

### **Government-wide and Fund Financial Statements**

Under the new governmental financial reporting model, the basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The government-wide financial statements report information on all non-fiduciary activities of the primary government and its component units. Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities. As part of the implementation of GASB Statement No. 34, the City has opted to early implement infrastructure reporting. The implementation requires the historical cost of infrastructure assets, retroactive to 1980, to be included as part of the capital assets, as well as the related depreciation, to be reported in the government-wide financial statements. In addition, for the most part, the effect of interfund activity has been removed from the statements.

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(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Basic Financial Statements – GASB Statement No. 34 (Continued)

#### Government-wide Financial Statements (Continued)

**The Statement of Net Assets** reflects both short-term and long-term assets and liabilities. In the Government-wide Statement of Net Assets governmental activities are reported separately from business type activities. Governmental activities are supported by taxes and intergovernmental revenues whereas business type activities are normally supported by fees and charges for services. Long-term assets, such as capital assets, infrastructure assets and long-term obligations are now reported with the assets of governmental activity. The components of net assets, previously shown as fund balances, are presented in three separate components; 1) Invested in Capital Assets, net of related debt, 2) Restricted, and 3) Unrestricted. Interfund receivables and payables between governmental and business type activities have been eliminated in the governmental-wide Statement of Net assets, which minimize the duplicating of assets and liabilities within the governmental and business type activities. Major component units are reported in the statement of net assets as well.

**The Statement of Activities** reflect both the gross and net cost format. The net cost (by function or business-type activity) is usually covered by general revenues (property tax, sales tax, intergovernmental revenues, etc.). Direct (gross) expenses of a given function or segment are offset by program revenues, and operating and capital grants. Program revenues must be directly associated with the function of business-type activity. The new presentation allows users to determine which functions are self-supporting, and which rely on the tax base in order to complete their mission. Internal service fund balances, whether positive or negative have been eliminated against the expenses and program revenues shown in the governmental activities of the Statement of Activities.

A reconciliation detailing the change in net assets between the government-wide financial statements and the fund financial statements is presented separately for governmental funds. In order to achieve a break-even result in the internal service fund activity, differences in the basis of accounting and reclassifications are allocated back to user departments. These allocations are reflected in the government-wide statements. Any residual amounts of the internal service funds are reported in the governmental activity column.

The proprietary funds have a reconciliation presented in the proprietary funds' Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Net Assets. The only reconciling item is the internal service fund allocation.

### C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund equity and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City has three types of Funds: Governmental Funds, Proprietary Funds and Fiduciary Funds. The Fund Financial Statements provide more detailed information about the City's most significant funds, but not on the City as a whole. Major individual governmental funds and major enterprise funds are reported in separately in the Fund Financial Statements. Nonmajor funds are independently presented in the combining statements.

The criteria used to determine if a governmental or enterprise funds should be reported as a major fund is as follows: The total assets, liabilities, revenues or expenditure/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type (that is, total governmental or total enterprise funds), and total assets and liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Fund Accounting (Continued)

The following is a brief description of the major governmental funds that are each presented in a separate column in the fund financial statements:

The General Fund is always presented as a major fund.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs except that which is accounted for in proprietary type funds.

The General Obligation Bonds Capital Project Fund accounts for financial resources obtained through the issuance of general obligation bonds to be used for acquisition or construction of major capital facilities such as drainage, library improvements, excluding those financed by proprietary type funds and trust funds.

The following is a brief description of the major enterprise funds that are each presented in a separate column in the fund financial statements:

The Airport System accounts for the operation of the San Antonio International Airport and Stinson Municipal Airport. Financing for the Airport System operations is provided by user fees.

The Parking System accounts for the operations of the City's parking facilities. Financing for the Parking Facilities Operations is provided by user fees

#### 1. Governmental Funds

**General Fund** - The General Fund of the City is the primary operating fund, which accounts for all financial resources of the general government except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Capital Projects Funds** - Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

**Permanent Funds** - This fund is a new governmental fund type established by GASB Statement No. 34. Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry.

#### 2. Proprietary Funds

**Enterprise Funds** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Fund Accounting (Continued)

#### 2. Proprietary Funds (Continued)

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The City's self-insurance programs, data processing programs, and other internal service programs are accounted for in this fund.

#### 3. Fiduciary Funds

**Trust and Agency Funds** - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Pension Trust, Retiree Health Care Trust, Private Purpose Trust Funds, and Agency Funds. Pension Trust, Retiree Health Care Trust, and Private Purpose Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### D. Measurement Focus and Basis of Accounting

The government-wide financial statements present information about the City as a whole. Government-wide financial statements exclude both fiduciary funds and fiduciary component units. The statement of net assets and the statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year they are levied. Other taxes and fees are recognized as revenue in the year they are earned. Revenue from grants and similar items are recognized in the fiscal year the qualifying expenditures are made and all other eligibility requirements have been satisfied. .

Program Revenues are presented in the Government-wide Statement of Activities. The City reports program revenues into three categories: 1) Charges for services, 2) Operating grants and contributions and 3) Capital grants and contributions. (Further descriptions of these three categories follow.) They are presented separately as a reduction of the total expense to arrive at the net expense of each functional activity. Program revenues are revenues generated by transactions with outside parties who purchase, use, or directly benefit from a program. They also include amounts such as grants and contributions received from outside parties that restrict the use of those funds to specific programs. Investment earnings that are legally restricted to specific programs are also reported as program revenues.

1) **Charges** for services are revenues that are generated by those who purchase goods or services from the City. Examples of charges for services include airport landing fees, solid waste collection and disposal fees, vacant lot clean up, golf course fees, and food establishment licenses. Fines and forfeitures are also reported under charges for services.

2) **Operating** grants and contributions are those revenues that are restricted in the way they may be spent - either for operations of a particular program or to purchase a capital asset for a particular program.

3) **Capital** grants and contributions are also restricted revenues; the funds may only be spent to purchase capital assets for specified programs.

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(amounts are expressed in thousands)



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Measurement Focus and Basis of Accounting (Continued)

All governmental Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Revenues are recognized in the accounting period in which they become available and measurable. For this purpose, the City considers revenues, other than grants, to be available if the revenues are collected within sixty days after year-end. Grant revenues are recognized when reimbursable expenditures are made and all other eligibility requirements imposed by the provider are met. Grant funds received in advance and delinquent property taxes are recorded as deferred revenue until earned and available. Gross receipts and sales taxes are considered available when in the hands of intermediary collecting governments and are recognized at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Expenditures are recognized in the accounting period in which the fund liability is incurred. However, compensated absences, debt service expenditures, claims and judgments and arbitrage rebate are recorded only when the liability is matured.

The reported fund balance (net current assets) for each fund is considered a measure of "current financial resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "current financial resources" during the period.

Special reporting treatments are applied to governmental fund inventories and prepaid expenditures to indicate that they do not represent "current financial resources", since they do not represent net current assets. Such amounts are generally offset by fund balance reserve accounts.

Proprietary, Pension Trust, Private Purpose Trust, and Retiree Health Care Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses and related liabilities, including claims, judgments, and compensated absences, are recognized when they are incurred. These funds are accounted for on a cost of services or "economic resources" measurement focus. Consequently, all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. The reported Proprietary Fund net assets is segregated into three components: 1) invested in capital assets, net of related debt, 2) restricted net assets and 3) unrestricted net assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net assets.

Proprietary funds report both operating and nonoperating revenues and expenses in the Statement of Revenues, Expenses and Changes in Fund Net Assets. The City defines operating revenues as those receipts generated by a specified program offering either a good or service. For example, parking garage and street lot fees are operating revenues of the Parking Fund. This definition is consistent with GASB Statement No. 9 which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, non-capital financing or investing activities. Operating expenses include personnel services, contractual services, commodities, other expenses (such as insurance), and depreciation. Revenues and expenses not fitting the above definitions are considered nonoperating.

The City's enterprise funds, pension trust, private purpose trust and retiree health care funds and business-type activities, as well as its discretely presented component units apply all applicable GASB Statements as well as FASB Statements and Interpretations, APB Opinions, and ARBs issued on or before November 30, 1989, in accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." The City and its discretely presented major proprietary component units, CPS and SAWS, have elected not to apply any FASB Statements and Interpretations issued after November 30, 1989.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Measurement Focus and Basis of Accounting (Continued)

CPS' operating revenue includes receipts from energy sales and miscellaneous revenue related to the electric and gas systems operations. This includes late payment fees, rental income, jobbing and contract work, ancillary services, and merchandise sales. Operating expenses include those expenses that result from the ongoing operations of the electric and gas systems. SAWS' principal operating revenues are charges to customers for water and wastewater services. Operating expenses include the cost of service, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues consist primarily of investment income, including the changes in fair value of investments. The amortization of net gains from the lease-leaseback and the sale of water rights in prior years are also included. Some miscellaneous income from renting general property and miscellaneous service is also recorded in nonoperating when it's not directly identified with the electric, gas, water and wastewater systems.

CPS changed its policy for accounting for assets accumulated to pay liabilities for the employee health and welfare benefits. As a result of this change in policy, a cumulative effect of adjustment in the amount of \$139,074 was recorded in fund net assets.

### E. Future GASB Implementations

GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14", provides criteria for determining whether certain organizations might be included in the financial reporting entity as component units based on the nature and significance of their relationship with the City, is effective for fiscal years beginning after June 15, 2003. The City has not fully determined the effect that implementation of Statement No. 39 will have on the City's financial statements.

With regard to GASB Statement No. 38, the City is reviewing the disclosure requirements regarding disaggregation of receivable and payable balances. These disclosure requirements will be implemented in fiscal year 2003. All other components of GASB Statement No. 38 have been implemented in fiscal year 2002.

### F. Cash, Cash Equivalents and Investments

The City's investment practices are governed by state statutes and by the City's Investment Policy. City cash is required to be deposited in FDIC-insured banks located within the State of Texas. A pooled cash and investment strategy is utilized which enables the City to have one central depository. Investments are pooled into two primary categories, operating funds and debt service funds. The balances in these funds are invested in an aggregate or pooled amount with principal and interest income distributed to each respective fund on a pro rata basis. In addition, the City may purchase certain investments with the available balance of a specific fund for the sole benefit of such fund. As of September 30, 2002, the City's investment portfolio did not contain any derivative products nor is it leveraged in any way, except as noted in the Fire and Police Pension Fund. For a listing of authorized investments, see Note 3.

The City, CPS and SAWS account for and report investments in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The Fire and Police Pension Trust and the Fire and Police Health Care Fund report investments at fair value in accordance with GASB Statement No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans." The City's policy with respect to money market investments, which had a remaining maturity of one year or less at the time of purchase, is to report those investments at amortized cost, which approximates fair value. Amortization of premium or accretion of discount is recorded over the term of the investments.

For purposes of the statement of cash flows, the City, SAWS and CPS consider all highly liquid investments with an original maturity of approximately ninety days or less to be cash equivalents.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Inventories and Prepaid Items

Inventories of materials and supplies consist principally of expendable items held for consumption and are stated at cost, based on first-in, first-out and lower of average cost or market methods. For governmental and proprietary fund types, the "consumption" method is used to account for inventories. Under the consumption method, inventory acquisitions are recorded in inventory accounts and charged as expenditures (governmental fund types) or expenses (proprietary fund types) when used.

Prepaid items are goods and services that are paid for in advance. These payments reflect costs applicable to future accounting periods, and are recorded in both government-wide and fund financial statements. Using the consumption method, prepaid items are charged as expenditures for governmental funds and as expenses for proprietary funds as the goods or services are used.

### H. Capital Assets and Depreciation

#### 1. Primary Government (City)

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets recorded under capital leases are recorded at the present value of future minimum lease payments. Depreciation on all exhaustible capital assets of the City is charged as an expense with accumulated depreciation being reported on the Statement of Net Assets. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. With the implementation of GASB Statement No. 34, the City has established capitalization thresholds for infrastructure and machinery and equipment which includes computer equipment. Retroactive reporting of all infrastructure assets is reported in the financial statements and the estimated useful lives and capitalization thresholds applied are as follows:

<b>Assets</b>	<b>Useful Life Years</b>	<b>Capitalization Threshold</b>
Buildings	15-40	\$100
Improvements (Other than buildings)	20-40	\$100
Machinery and Equipment	5-15	\$5
Furniture and Office Equipment	5-10	\$5
Infrastructure	15-100	\$250

#### 2. City Public Service (CPS)

The CPS utility plant is stated at the cost of construction, including costs of contracted services, direct equipment material and labor, indirect costs, including general engineering, labor, equipment, and material overhead, and an allowance for funds used during construction (AFUDC). CPS computes AFUDC using rates which approximate the cost of borrowed funds, or the short-term investment rate for other funds used for construction. AFUDC is applied to projects estimated to cost in excess of \$250 and require thirty days or more to complete.

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(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### H. Capital Assets and Depreciation (Continued)

#### 2. City Public Service (CPS) (Continued)

In 2001 and prior years, CPS computed depreciation using the straight-line method over the estimated service lives of the depreciable property using class lives for certain asset categories and specifically assigned lives for certain assets. In 2002, CPS computed depreciation using the straight-line method over the estimated service lives of the depreciable property using specifically identified service lives for each asset type. Total depreciation and depletion, as a percentage of total depreciable assets net of nuclear fuel, was 2.99 percent in 2002.

CPS amortizes its share of nuclear fuel for the South Texas Project (STP) to fuel expense on a unit-of-production method. Under the Nuclear Waste Policy Act of 1982, the federal government assumed responsibility for the permanent disposal of spent nuclear fuel. CPS is charged a fee for disposal of spent nuclear fuel, which is based upon CPS' share of the STP generation that is available for sale to CPS customers. The charge is included in fuel expense monthly. For further discussion regarding the STP, see Note 10.

#### 3. San Antonio Water System (SAWS)

The SAWS' capital assets in service are recorded on the basis of cost. Assets acquired through capital leases are recorded on the cost basis and are included in utility plant service. Assets acquired through contributions, such as those from land developers, are capitalized and recorded in the plant accounts at estimated fair value at date of donation. SAWS capitalizes certain interest costs on revenue bonds and commercial paper associated with newly constructed utility plant additions. Maintenance, repairs, and minor renewals are charged to operating expense, while major plant replacements are capitalized.

SAWS' capital assets are depreciated and property under capital lease is amortized on the straight-line method. This method is applied to all individual assets except distribution mains. Groups of mains are depreciated on the straight-line method using rates estimated to fully amortize the costs of the asset group over their estimated average useful life. The following estimated average useful lives are used in providing for depreciation of the SAWS' capital assets:

Structures and improvements	50 years
Pumping and purification equipment	10 - 50 years
Distribution and transmission system	25 - 50 years
Collection system	50 years
Treatment facilities	25 years
Equipment and machinery	5 - 20 years
Furniture and fixtures	20 - 50 years
Computer equipment	5 years
Software	3 years

### I. General Bonded Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. Amounts estimated to be required for debt service on general bonded debt are provided by allocated property taxes, interest earned within the Debt Service Fund, and transfers from other funds.

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(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### J. Compensated Absences

In the governmental fund financial statements, the City accrues annual leave and associated employee related costs when matured (payable from available resources) for City non-uniformed employees and uniformed fire and police employees. In addition, the City accrues the matured portion of the City's uniformed fire and police employees accrued sick leave pay, holiday pay and bonus pay. Compensatory time is also accrued for the matured portion of the City's non-uniformed non-exempt employees as well as uniformed police officers.

For governmental fund types, the matured current portion of the liability resulting from the accrual of these compensated absences is recorded in the respective governmental fund and reported in the fund financial statements, while the entire vested liability is reported in the government-wide financials. The current and long-term portions of the liability related to proprietary fund types are accounted for in the respective proprietary fund.

### K. Insurance

Activity for the City's self-insurance programs is recorded in the Internal Service Funds. Assets and obligations related to property and casualty liability, employee health benefits, workers' compensation, unemployment compensation, extended sick leave, and employee wellness are included.

The City is insured for property and casualty liability. As of the fiscal year end, Allianz Insurance Company insured the City's property, while the North River Insurance Company of New Jersey provided excess liability coverage. Related liabilities are accrued based on the City's estimates of the aggregate liability for claims made, and claims incurred but not reported prior to the end of the fiscal year.

The City also provides employee health, workers' compensation, and unemployment benefits under its self-insured programs. The City is a member of the Texas Municipal League Workers' Compensation Joint Insurance Fund, and uses this fund as a mechanism for administering workers' compensation claims for employees that occurred prior to September 30, 1986. Workers' compensation claims that occurred after October 1, 1986 are administered by third party administrators. In addition, the City has excess workers' compensation coverage through the North River Insurance Company as of September 30, 2002. The City records all workers' compensation loss contingencies, including claims incurred but not reported.

Employee health benefit liabilities are determined and accrued based upon the City's estimates of aggregate liabilities for unpaid benefits. Regarding unemployment compensation, the City is subject to the State of Texas Employment Commission Act. Under this act, the City's method for providing unemployment compensation is to reimburse the State for claims paid by the State.

All insurance carriers providing coverage for the City are required to possess an A.M. Best Company rating of A- or better; where A- denotes "Excellent". A.M. Best is an industry recognized rating service for insurance companies. For a more detailed explanation of the City's self-insurance programs, see Note 12.

### L. Fund Equity

Reservations of fund equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund equity represent tentative plans identified by management and are subject to change. Designations are utilized in the City's governmental funds for amounts which have been designated for subsequent year's expenditures and amounts allocated to making future improvements and replacements. Such designations will be reflected on the fund financial statements.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### M. Revenue Recognition

Governmental fund types record revenues on the modified accrual basis of accounting and are reported as such in the fund financial statements. That is, revenues are recorded when they are both measurable and available to finance current operations or when they are considered susceptible to accrual. Revenues from property taxes, sales taxes, municipal court fines and fees, licenses, interest revenue and charges for services are recorded on the modified accrual basis of accounting, therefore, are considered susceptible to accrual. The City's availability period is no more than 60 days beyond the end of the fiscal year. When collections are delayed beyond the normal time of receipt due to unusual circumstances, the amounts involved are still recognized as revenues of the current period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Grant revenues are recognized when reimbursable expenditures are made and all other eligibility requirements imposed by the provider have been met. Proprietary-type funds record revenues when earned. In the government-wide financial statements, all revenues are recorded when earned.

CPS revenues are recorded when billed. Customers' meters are read and bills are rendered monthly. Rate schedules include fuel and gas cost adjustment clauses that permit recovery of fuel and gas costs in the month incurred. CPS reports fuel and distribution gas costs on the same basis as it recognizes revenue. SAWS revenues are recognized when earned under the accrual basis.

### N. Allocation of Indirect Expenses

The City recovers indirect costs in the General Fund through the application of departmental indirect cost rates. These rates are developed and documented in the City's departmental indirect cost rate plan. In this plan, each department is classified by function. Indirect costs are budgeted by department and are used as a basis for the City's actual indirect cost allocation. Base rates are then applied to actual indirect costs recovered and indirect costs are reclassified to reduce general government expenditures. For fiscal year 2002, general government expenditures were reduced by \$6,511, resulting in increased expenditures in other governmental functions and in business-type activities in the amounts of \$4,037 and \$2,474, respectively.

### O. Nuclear Decommissioning

CPS, together with the other owners of the STP, filed with the Nuclear Regulatory Commission (NRC) a certificate of financial assurance for the decommissioning of the nuclear plant. The certificate assures that CPS will meet the minimum decommissioning funding requirements mandated by the NRC. The STP owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically. In 1995, the owners conducted a review of decommissioning costs. The results estimated CPS' share of decommissioning costs at approximately \$270,000 in 1994 dollars, which also exceeded NRC minimum requirements. In 1999, the owners conducted an additional review of decommissioning, and results showed that CPS' share of decommissioning costs are now approximately \$311,000 in 1998 dollars.

In 1991, CPS started accumulating the decommissioning funds in an external trust, in accordance with the NRC's regulations. The Decommissioning Trust assets and related liabilities are included in CPS' financial statements as a component unit. At January 31, 2002, CPS had accumulated approximately \$145,900 of decommissioning funds in the external trust. Based on the annual calculation of financial assurance required by the NRC, CPS' trust balance exceeded the calculated financial assurance amount of \$61,400 at December 31, 2001. Based upon the 1998 decommissioning study, the annual level funding into the trust of \$15,900 for 2002, was expensed by CPS.

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(amounts are expressed in thousands)

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **P. Long-Term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts and debt issuance costs are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the funds in which proceeds of debt issuances are recorded.

### **Q. Elimination of Internal Activity**

Eliminations of internal activity, particularly those related to internal service fund transactions, are needed to make the transition from governmental funds to government-wide activities. The overriding objective in “eliminating the effects of internal service fund activity” is to adjust the internal charges to cause a break-even result. Eliminating the “effect” of internal service fund activity requires the City to “look back” and adjust the internal service funds’ internal charges. Net income derived from internal service fund activity would cause a pro rata reduction in the charges made to the participating funds/functions. Conversely, an internal service fund net loss would require a pro rata increase in the amounts charged to the participating funds/functions. Therefore, eliminations made to the statement of activities removes the “doubling up” effect of internal service fund activity. The residual internal balances between the governmental and business-type activities are reported in the statement of net assets and the internal balance amounts that exist within the governmental funds or within business-type funds are eliminated. The City reports internal service fund balances in both governmental and business-type activities based on the pro-rata share of the amounts charged to the participating funds/functions.

The City has three internal service funds: Other Internal Services, Information Technology Services, and Self-Insurance Funds. Other Internal Services and Information Technology Services charges users fees for requested goods or services. Building maintenance charges, a component of the Other Internal Services Fund, are based on the space occupied by departments. Through the tracking of these charges to the applicable departments, the net income or loss will be allocated back to the user department based on actual charges incurred.

The Self-Insurance Funds generate their revenues through fixed assessments charged to the various funds each year. The net income or loss generated by the Self-Insurance Funds is allocated back based on the same allocation by which the revenues are received.

### **R. Application of Restricted and Unrestricted Net Assets**

The City may receive funding from an organization whose expenditure is restricted to certain allowable costs. In situations where both restricted and unrestricted net assets are expended to cover allowable expenses, the City will first expend the restricted net assets and cover additional costs with unrestricted net assets. The City reserves the right to selectively defer the use of restricted assets.

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(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### S. Change in Fiscal Year

On April 3, 2001, the SAWS' Board of Trustees approved the changing of the fiscal year from a year-end of May 31st to December 31st. Management has taken all necessary actions to effect the change, including the preparation of their Comprehensive Annual Financial Report for the seven-month period ending December 31, 2001, as well as notification to bondholders, nationally recognized municipal security information repositories, and others, of the change in the fiscal year. The change in fiscal year to calendar year was approved to increase the effectiveness and efficiency for the implementation of capital improvement programs, rate studies and other financial planning.

### T. Other Budget Disclosures

Excess of expenditures, transfers and encumbrances over appropriations occurred as follows:

Excess of Expenditures, Transfers and Encumbrances Over Appropriations				
Fund/Expenditures	Appropriations	Expenditures, Transfers and Encumbrances	Excess of Expenditures, Transfers and Expenditures over Appropriations	
General Fund:				
Health Services	\$ 13,717	\$ 14,076	\$	359
Sanitation	2,567	2,663		96
Transfers	74,881	76,102		1,221
Special Revenue Funds:				
Hotel Motel Capital Improvements	\$ 9,977	\$ 20,139	\$	10,162
Emergency Medical Services	37,821	38,311		490
Debt Service Fund	\$ 115,968	\$ 117,044	\$	1,076
Permanent Funds:				
San Jose Burial Park	\$ 412	\$ 684	\$	272

The excess expenditures over appropriations were fully offset by excess actual revenues or fund balances. No deficit fund balances resulted from these excesses.

## 2. PROPERTY TAXES

Property taxes are levied and due upon receipt on October 1, attached as an enforceable lien on property as of January 1st, and become delinquent the following February 1st. Property tax receivables, including related interest and penalty receivable, net of allowances for uncollectible amounts, represent amounts the City believes will ultimately be collected. The portion of property tax receivable, net of allowances for uncollectible amounts, that is considered available, is offset by deferred revenues in the governmental fund financial statements. The City is permitted by the Municipal Finance Law of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable valuation. The tax rate approved by City ordinance for the year ended September 30, 2002 was \$0.57854 per \$100 taxable valuation, which means that the City has a tax margin of \$1.92146 per \$100 taxable valuation and could raise an additional \$760,660 per year based on the net taxable valuation of \$39,587,584 before the limit is reached.

(amounts are expressed in thousands)



### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

City monies are deposited in demand accounts at the City's approved depository. The City utilizes a pooled cash and investment strategy with each fund's cash balance and pro rata share of highly liquid investments, including U.S. Treasury securities, U.S. Government Agency securities, and Repurchase Agreements with original maturities of ninety days or less, summarized by fund type and included in the combined statement of net assets as Cash and Cash Equivalents. Overdrafts which result from a fund overdrawing its share of pooled cash are reported as inter-fund payables by the overdrawn fund and as inter-fund receivables of the contributing funds.

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts, and district corporations. Collateral pledged for demand deposits and certificates of deposit is required to be held in the City's name by the trust or safekeeping department of a bank other than the pledging bank.

Written custodial agreements are required which provide, among other things, that the collateral securities are held separate from the assets of the custodial banks. The City periodically determines that the collateral has a fair value adequate to cover the deposits and that the collateral has been segregated either physically or by book entry. At fiscal year-end, cash deposits for the City were entirely collateralized by the City's depository or federal depository insurance.

The City entered into Repurchase Agreements in connection with the investment of certain bond proceeds. Although these Repurchase Agreements are considered securities for purposes of credit risk classification, due to their 100% overnight liquidity, they are included with Cash and Cash Equivalents in the combined statement of net assets.

The investment policy of the City is governed by state statute and by its own written investment policy. Authorized investments include: demand accounts, certificates of deposit, obligations of the U.S. Treasury and U.S. Government Agencies, commercial paper, and repurchase agreements. The City maintains in its investment portfolio U.S. Treasury securities and U.S. Government Agency securities with original maturities of more than ninety days. Each fund's pro rata share of these longer-term investments is combined with similar non-pooled securities (i.e., securities purchased and held for specific funds), including U.S. Treasury securities, and U.S. Government Agency securities, and are reported as investments in the combined statement of net assets, as of September 30, 2002.

The City accounts for and reports investments in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The City's policy with respect to money market investments which have a remaining maturity of one year or less at the time of purchase is to report these investments at amortized cost. Amortized cost approximates fair value for these investments. The decrease in fair value for investments of the City with a remaining maturity of greater than one year at the time of purchase was \$497 for the year ended September 30, 2002. The City does not participate in external investment pools.

Investments of the Fire and Police Pension Fund (Pension Fund), a blended component unit, are administered by the Fire and Police Pension Fund Board of Trustees. Investments of the Pension Fund are reported at fair value and include: corporate bonds; preferred stock; U.S. Treasury securities; U.S. Government Agency securities; notes, mortgages and contracts; and real estate. Equity and fixed income securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Notes, mortgages, and contracts are valued on the basis of future principal and interest payments discounted at prevailing interest rates. The fair value of real estate investments is based on independent appraisals and on the equity position of real estate partnerships in which the Pension Fund has invested. Gains and losses on sales and exchange of securities are recognized on the trade date. Investments that do not have an established fair value are reported at estimated fair value. No investments in any one organization (other than those issued by the U.S. Government) represent five percent or more in plan assets.

(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The Pension Fund has entered into an agreement with its custodial bank to lend the Pension Fund's securities to one or more borrowers for a fee. It is the policy of the Pension Fund and the custodial bank to require that collateral equal to 102% and 105% for domestic and international securities, respectively, of the loaned securities be maintained by the custodial bank. Collateral may be in the form of cash, U.S. government securities and irrevocable letters of credit. Until such time as the loan is terminated, the borrower retains all incidents of ownership with respect to the collateral. In the event that the borrower fails to repay the borrowed securities when due and the value of the collateral is insufficient to replace the borrowed securities, the Pension Fund may suffer a loss. Management of the Pension Fund considers the possibility of such a loss to be remote.

As of September 30, 2002, the Pension Fund had lending arrangements outstanding with a total fair value of \$121,680 which were fully collateralized with cash and securities. Related to these loaned securities, cash collateral of \$125,235 is recorded in the accompanying statements. Net income for the year ended September 30, 2002 under the securities lending arrangement was \$339.

The Pension Fund has only limited involvement with derivative and other structured financial instruments and does not use them for trading purposes. The Pension Fund's investment philosophy in bond portfolios has centered on using derivatives and other structured financial instruments only when comparable cash alternatives are not available. Specifically, the Pension Fund has used the following basic guidelines when entering into such transactions: (1) small allocations, (2) no use of leverage, (3) price floors, (4) short maturities to mitigate potential problems with liquidity and (5) attention to credit risk of the issuer. The fair value of structured financial instruments held for the Pension Fund during fiscal year ended September 30, 2002 was approximately \$102,364.

The Pension Fund periodically participates in options and futures in order to hedge the value of a portion of its investments. Financial options and futures are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified price on or before a specified expiration date. Total exposure on these options and futures of approximately \$43,995 is included in net appreciation (depreciation) in fair value of investments at September 30, 2002.

The Fire and Police Retiree Health Care Fund Board of Trustees administers investments of the Fire and Police Retiree Health Care Fund, a blended component unit. Investments are reported at fair value and short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established fair value are reported at estimated fair value. All investment income, including changes in fair value of investments, is reported as additions in the statement of changes in fiduciary net assets. No investments in any one organization (other than those issued by the U.S. Government) represent five percent or more in plan assets.

The investment policies of SAWS and CPS, the City's major discretely presented component units, are governed by state statute, local ordinance, and their own respective written investment policies. Authorized investments include: demand accounts, certificates of deposit, obligations of the U.S. Treasury and U.S. Government Agencies, commercial paper, and repurchase agreements.

SAWS is permitted by City Ordinance No. 75686 to invest in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations for which the principal and interest are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law. SAWS general depository agreement does not require SAWS to maintain an average monthly balance.

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(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Under the provisions of GASB Statement No. 31, SAWS reports money market investments with a remaining maturity at time of purchase of one year or less at amortized cost, which approximates fair value. As of December 31, 2001, SAWS reports money market investments with a remaining maturity at time of purchase of greater than one year at amortized cost. The difference between the reported amount and fair value was \$134 and was deemed immaterial; therefore an unrealized loss was not reported.

CPS cash deposits at January 31, 2002 were entirely insured or collateralized by banks for the account of CPS. For deposits that were collateralized, the securities were U.S. Government or Government Agency or U.S. Government guaranteed obligations held in book entry form by the Federal Reserve Bank in CPS' name.

CPS investments with a maturity date within one year of the purchase date are reported at amortized cost, which approximates fair value. Amortization of premium and accretion of discount are recorded over the terms of the investments that mature within one year. CPS investments with a maturity date of one year or longer from the purchase date are accounted for using fair value. Fair value is determined by using generally accepted financial reporting services and publications and approved dealers and brokers as necessary. The specific identification method is used to determine costs in computing gain or loss on sales of securities.

CPS allowable investments, excluding the Decommissioning Trust and the Employees Health and Welfare Plans, as defined by CPS Board Resolution and Policy, Bond Ordinances, Tax-Exempt Commercial Paper Ordinance, and State Law include U.S. Government or Government Agency or U.S. Government guaranteed obligations, collateralized mortgage obligations issued by the U.S., fully secured certificates of deposit issued by a state, national bank, savings bank domiciled in the State of Texas, direct repurchase agreements, reverse repurchase agreements, defined bankers acceptances and commercial paper, no-load money market mutual funds, and other types of specific secured or guaranteed investments. CPS reports all South Texas Nuclear Project (STP) decommissioning master trust investments and employee health and welfare investments at fair value.

CPS' investments in the STP decommissioning master trust are held by an independent trustee. Trust investments are limited to U.S. Government or Government Agency or U.S. Government guaranteed obligations by CPS Board Resolution and Policy, Trust Agreement, and state law. These investments are subject to market risk and their fair value will vary as interest rates fluctuate. This could affect the value at which these securities are recorded.

Investments in the employee health and welfare plans are held by an independent trustee. These investments are limited to those authorized by the plans Administrative Committees, the Trust Agreements, and state law. These investments are subject to market risk and their fair value will vary as interest rates fluctuate. This could affect the value at which these securities are recorded. These investment policies follow the "prudent man" concept.

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(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Combined cash and cash equivalents and investments are presented below as of year end for the City, and its significant discretely presented Component Units, SAWS and CPS. The information is provided to give an indication of the proportionate amount of cash and investments held by each respective entity.

<b>Combined Cash, Cash Equivalents, and Investments</b>			
	City <sup>1</sup>	SAWS <sup>2</sup>	CPS <sup>3</sup>
Cash and Cash Equivalents	\$ 292,109	\$ 31,448	\$ 334,630
Security Lending Collateral			
Cash and Cash Equivalents	125,235		
Investments	1,854,590	166,488	1,227,161
Less: Investments with original maturities of less than ninety days included in cash equivalents	(211,020)	(27,395)	(332,218)
Total	<u>\$ 2,060,914</u>	<u>\$ 170,541</u>	<u>\$ 1,229,573</u>
<sup>1</sup> The following amounts were held by the City in a fiduciary capacity and are excluded from the primary government statement of net assets: Cash and Cash Equivalents of \$78,656; Security Lending Collateral-Cash and Cash Equivalents of \$125,235; Investments of \$1,170,091. <sup>2</sup> For the seven months ended December 31, 2001 <sup>3</sup> For the fiscal year ended January 31, 2002			

	City <sup>1</sup>	SAWS <sup>2</sup>	CPS <sup>3</sup>
Totals from Statement of Net Assets and Fiduciary Fund Statements			
Cash and Cash Equivalents	\$ 239,880	\$ 0	\$ 303,593
Security Lending Collateral			
Cash and Cash Equivalents	125,235		
Investments	1,497,978	22,902	11,019
Restricted Cash and Cash Equivalents	52,229	31,448	31,037
Restricted Investments	145,592	116,191	883,924
Total Cash, Cash Equivalents and Investments	<u>\$ 2,060,914</u>	<u>\$ 170,541</u>	<u>\$ 1,229,573</u>
<sup>1</sup> The following amounts were held by the City in a fiduciary capacity and are excluded from the primary government statement of net assets: Cash and Cash Equivalents of \$78,656; Security Lending Collateral-Cash and Cash Equivalents of \$125,235; Investments of \$1,170,091. <sup>2</sup> For the seven months ended December 31, 2001 <sup>3</sup> For the fiscal year ended January 31, 2002			

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(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The composition of Cash and Cash Equivalents included in the financial statements for the City and its major discretely presented Component Units as of the respective year-ends is presented below.

	City	SAWS <sup>1</sup>	CPS <sup>2</sup>
Deposits with Financial Institutions	\$ 9,643	\$ 63,527	\$ 2,305
Less: Deposits with Original Maturities of Greater than Ninety Days		(59,500)	
Investments with Original Maturities of Less than Ninety Days	211,020	27,395	332,218
Cash with Pension/Retiree Healthcare Fiscal Agents	71,216		
Cash with Other Financial Agents	31		
Petty Cash Funds	199	26	107
Total Cash and Cash Equivalents	<u>\$ 292,109</u>	<u>\$ 31,448</u>	<u>\$ 334,630</u>
<sup>1</sup> For the seven months ended December 31, 2001			
<sup>2</sup> For the fiscal year ended January 31, 2002			

Cash with fiscal agents of the Fire and Police Pension Fund and the Fire and Police Retiree Healthcare Fund of the City of San Antonio have been approved by the Funds' Board of Directors and are invested as authorized by Texas State Statutes.

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(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits with financial institutions are classified into three categories of custodial credit risk based upon the following:

Category	Description
1	Deposits insured by the FDIC or collateralized with securities held by the City or the City's agent in the City's name.
2	Deposits collateralized by securities held by the pledging bank's agent in the City's name.
3	Deposits uncollateralized which include deposits collateralized by securities held by the pledging financial institution or by its trust department or agent but not in the City's name.

Accordingly, deposits of the City, SAWS and CPS are categorized by custodial credit risk as follows:

Units	Carrying Amount	Bank Balance	Category		
			1	2	3
City Deposits:					
With Financial Institutions	\$ 9,643	\$ 28,809	\$ 28,809	\$ 0	\$ 0
Deposits with Agents	71,247	71,247	71,247		
SAWS Deposits:					
Demand and Savings Accounts	4,027	7,329	7,329		
Certificates of Deposits	59,500	59,500	59,500		
CPS Deposits:					
With Financial Institutions	2,305	10,797	10,797		

Cash with fiscal agents of the Fire and Police Pension Fund and the Fire and Police Retiree Health Care Fund of the City of San Antonio are classified as Category 1. The Fire and Police Pension Fund also had securities lending collateral - cash and cash equivalents in the amount of \$125,235 which is not categorized for custodial credit risk as it had been invested in a securities lending collateral investment pool.

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(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments are classified into three categories of custodial credit risk based upon the following:

Category	Description
1	Includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name.
2	Includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.
3	Includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

Accordingly, the investments of the City, SAWS, and CPS are categorized below to give an indication of the level of custodial credit risk assumed:

Total Investments By Category					
	Category			Carrying Amount	Fair Value
	1	2	3		
City:					
Corporate Bonds	\$ 140,838	\$ 0	\$ 0	\$ 140,838	\$ 140,838
Preferred Stock	582			582	582
Common Stock	611,700			611,700	611,700
U.S. Treasury & Government Agency Securities	733,561			733,561	734,854
Repurchase Agreements		16,999		16,999	16,999
Total Categorized Investments	1,486,681	16,999	0	1,503,680	1,504,973
Investments not Categorized:					
Money Market Mutual Fund				91,189	91,189
Notes, Mortgages, Contracts				113,639	113,639
Real Estate Investments				56,543	56,543
Venture Capital Partnerships and Other Alternative Investments				89,539	89,539
Total City	\$ 1,486,681	\$ 16,999	\$	\$ 1,854,590	\$ 1,855,883
SAWS:					
First Union Bank Held in Escrow	\$ 0	\$ 24,747	\$ 0	\$ 24,747	\$ 24,904
U.S. Treasury & Government Agency Securities	82,241			82,241	82,569
Total SAWS	\$ 82,241	\$ 24,747	\$ 0	\$ 106,988	\$ 107,473
CPS:					
U.S. Treasury & Government Agency Securities	\$ 948,098	\$ 0	\$ 0	\$ 948,098	\$ 950,932
South Texas Nuclear Project Decommissioning Master Trust:					
U.S. Treasury & Government Agency Securities	144,222			144,222	144,222
Employee Health and Welfare:					
Corporate bonds	18,498			18,498	18,498
Common stock	67,668			67,668	67,668
U.S. Treasury & Government Agency Securities	28,113			28,113	28,113
Global Bonds	5,980			5,980	5,980
Foreign equities	5,127			5,127	5,127
Total Health and Welfare Investments Categorized	125,386			125,386	125,386
Investments not Categorized:					
Money Market Mutual Fund				9,455	9,455
Total Employee Health and Welfare	125,386			134,841	134,841
Total CPS	\$ 1,217,706	\$	\$	\$ 1,227,161	\$ 1,229,995

(amounts are expressed in thousands)

#### 4. CAPITAL ASSETS

Capital asset activity for governmental activities, to include Internal Services Funds, for the year ended September 30, 2002 was as follows:

<b>Capital Assets - Governmental Activities</b>				
<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Non-Depreciable Assets</b>				
Land	\$ 1,206,632	\$ 8,759	\$ 0	\$ 1,215,391
Construction in Progress	440,562	84,336		524,898
<b>Total Non-Depreciable Assets</b>	<u>1,647,194</u>	<u>93,095</u>		<u>1,740,289</u>
<b>Depreciable Assets</b>				
Buildings	367,827			367,827
Improvements	59,712	356	(479)	59,589
Infrastructure	1,939,300			1,939,300
Machinery and Equipment	262,713	40,723	(152,743)	150,693
<b>Total Depreciable Assets</b>	<u>2,629,552</u>	<u>41,079</u>	<u>(153,222)</u>	<u>2,517,409</u>
<b>Accumulated Depreciation</b>				
Buildings	(124,370)	(9,991)		(134,361)
Improvements	(31,599)	(1,243)		(32,842)
Infrastructure	(1,023,913)	(56,631)		(1,080,544)
Machinery and Equipment	(58,367)	(24,836)	11,409	(71,794)
<b>Total Accumulated Depreciation</b>	<u>(1,238,249)</u>	<u>(92,701) <sup>(1)</sup></u>	<u>11,409</u>	<u>(1,319,541)</u>
<b>Total Depreciable Assets, net</b>	<u>1,391,303</u>	<u>(51,622)</u>	<u>(141,813)</u>	<u>1,197,868</u>
<b>Total Capital Assets, net <sup>1</sup></b>	<u>\$ 3,038,497</u>	<u>\$ 41,473</u>	<u>\$ (141,813)</u>	<u>\$ 2,938,157</u>
<b><sup>1</sup> Depreciation expense was charged to governmental functions as follows:</b>				
General Government		\$ 7,193		
Public Safety		11,393		
Public Works		57,727		
Health Services		125		
Welfare		102		
Culture and Recreation		371		
Convention and Tourism		18		
Urban Redevelopment and Housing		375		
Depreciation on capital assets held by the City's internal service funds is charged to various functions based on asset usage		15,397		
<b>Total Depreciation Expense for Governmental Activities</b>		<u>\$ 92,701</u>		
<sup>1</sup> The capital assets of internal service funds are included in governmental activities. In fiscal year 2002, internal service fund capital assets increased by \$18,206, decreased by \$13,985, resulting in an ending balance of \$102,566. Depreciation expense of \$15,397 resulted in an ending accumulated depreciation balance of \$60,251, to arrive at a net book value of \$42,315.				

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(amounts are expressed in thousands)



**4. CAPITAL ASSETS (Continued)**

Capital asset activity for business-type activities for the year ended September 30, 2002 was as follows:

<b>Capital Assets - Business-type Activities</b>				
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Non-Depreciable Assets</b>				
Land				
Aviation Fund	\$ 2,970	\$ 0	\$ 0	\$ 2,970
Parking Fund	8,125			8,125
Non-Major Funds	893			893
Total	<u>11,988</u>			<u>11,988</u>
Construction in Progress				
Aviation Fund	67,504	19,147		86,651
Parking Fund	8,557	2,359		10,916
Non-Major Funds	410	89		499
Total	<u>76,471</u>	<u>21,595</u>		<u>98,066</u>
<b>Total Non-Depreciable Assets</b>	<u>88,459</u>	<u>21,595</u>		<u>110,054</u>
<b>Depreciable Assets</b>				
Buildings				
Aviation Fund	112,133			112,133
Parking Fund	18,985			18,985
Non-Major Funds	46			46
Total	<u>131,164</u>			<u>131,164</u>
Improvements				
Aviation Fund	145,825			145,825
Parking Fund	1,639			1,639
Non-Major Funds	3,025			3,025
Total	<u>150,489</u>			<u>150,489</u>
Machinery and Equipment				
Aviation Fund	9,674	1,079	(471)	10,282
Parking Fund	810	33	(84)	759
Non-Major Funds	3,643	742	(962)	3,423
Total	<u>14,127</u>	<u>1,854</u>	<u>(1,517)</u>	<u>14,464</u>
<b>Total Depreciable Assets</b>	<u>295,780</u>	<u>1,854</u>	<u>(1,517)</u>	<u>296,117</u>
<b>Accumulated Depreciation</b>				
Buildings				
Aviation Fund	(45,874)	(2,636)		(48,510)
Parking Fund	(6,972)	(482)		(7,454)
Non-Major Funds	(226)	(1)		(227)
Total	<u>(53,072)</u>	<u>(3,119)</u>		<u>(56,191)</u>
Improvements				
Aviation Fund	(59,416)	(3,901)		(63,317)
Parking Fund	(428)	(75)		(503)
Non-Major Funds	(20)	(104)		(124)
Total	<u>(59,864)</u>	<u>(4,080)</u>		<u>(63,944)</u>
Machinery and Equipment				
Aviation Fund	(6,536)	(839)	319	(7,056)
Parking Fund	(728)	(34)	52	(710)
Non-Major Funds	(2,877)	(184)	799	(2,262)
Total	<u>(10,141)</u>	<u>(1,057)</u>	<u>1,170</u>	<u>(10,028)</u>
<b>Total Accumulated Depreciation</b>	<u>(123,077)</u>	<u>(8,256)</u>	<u>1,170</u>	<u>(130,163)</u>
<b>Total Depreciable Assets, net</b>	<u>172,703</u>	<u>(6,402)</u>	<u>(347)</u>	<u>165,954</u>
<b>Total Capital Assets, net</b>	<u>\$ 261,162</u>	<u>\$ 15,193</u>	<u>\$ (347)</u>	<u>\$ 276,008</u>

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(amounts are expressed in thousands)

#### 4. CAPITAL ASSETS (Continued)

CPS and SAWS capitalize interest incurred on construction projects, in accordance with Statement of Accounting Standards No. 62 issued by the Financial Accounting Standards Board. CPS and SAWS capitalized construction period interest in the amount of \$7,062 and \$4,169, respectively. Capital asset activity for CPS and SAWS was as follows:

<b>Capital Assets - City Public Service</b>				
<b>City Public Service <sup>1</sup></b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Non-Depreciable Assets</b>				
Land	\$ 53,336	\$ 1,558	\$ (5)	\$ 54,889
Land held for future use	12,599			12,599
Construction in Progress	144,510	274,283	(228,076)	190,717
<b>Total Non-Depreciable Assets</b>	<u>210,445</u>	<u>275,841</u>	<u>(228,081)</u>	<u>258,205</u>
<b>Depreciable Capital Assets</b>				
Utility Plant in Service	6,098,970	228,479	(26,709)	6,300,740
Utility Property Leased	18,785			18,785
Nuclear Fuel	258,236	11,666		269,902
<b>Total Depreciable Assets</b>	<u>6,375,991</u>	<u>240,145</u>	<u>(26,709)</u>	<u>6,589,427</u>
<b>Accumulated Depreciation</b>				
Utility Plant in Service	(1,996,773)	(188,999)	31,442	(2,154,330)
Utility Property Leased	(138)	(66)		(204)
Nuclear Fuel	(223,816)	(15,118)		(238,934)
<b>Total Accumulated Depreciation</b>	<u>(2,220,727)</u>	<u>(204,183)</u>	<u>31,442</u>	<u>(2,393,468)</u>
<b>Total Depreciable Assets, net</b>	<u>4,155,264</u>	<u>35,962</u>	<u>4,733</u>	<u>4,195,959</u>
<b>Total Capital Assets, net</b>	<u>\$ 4,365,709</u>	<u>\$ 311,803</u>	<u>\$ (223,348)</u>	<u>\$ 4,454,164</u>

<b>Capital Assets - San Antonio Water System</b>				
<b>San Antonio Water Systems <sup>2</sup></b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Non-Depreciable Assets</b>				
Land	\$ 58,316	\$ 477	\$ 0	\$ 58,793
Construction in Progress	319,251	49,420	(29,272)	339,399
<b>Total Non-Depreciable Assets</b>	<u>377,567</u>	<u>49,897</u>	<u>(29,272)</u>	<u>398,192</u>
<b>Depreciable Assets</b>				
Utility Plant in Service	1,763,749	30,747	(365)	1,794,131
Machinery and Equipment	98,159	3,836	(1,454)	100,541
<b>Total Depreciable Assets</b>	<u>1,861,908</u>	<u>34,583</u>	<u>(1,819)</u>	<u>1,894,672</u>
<b>Accumulated Depreciation</b>				
Utility Plant in Service	(565,799)	(25,462)	365	(590,896)
Machinery and Equipment	(50,337)	(3,992)	1,289	(53,040)
<b>Total Accumulated Depreciation</b>	<u>(616,136)</u>	<u>(29,454)</u>	<u>1,654</u>	<u>(643,936)</u>
<b>Total Depreciable Assets, net</b>	<u>1,245,772</u>	<u>5,129</u>	<u>(165)</u>	<u>1,250,736</u>
<b>Total Capital Assets, net</b>	<u>\$ 1,623,339</u>	<u>\$ 55,026</u>	<u>\$ (29,437)</u>	<u>\$ 1,648,928</u>

<sup>1</sup> For the fiscal year ended January 31, 2002

<sup>2</sup> For the seven months ended December 31, 2001

(amounts are expressed in thousands)

**4. CAPITAL ASSETS (Continued)**

Construction-in-progress relating to the Capital Assets is comprised of the following:

<b>Construction-In-Progress: Assets-Governmental Activities</b>				
	<u>Project Authorization</u>	<u>Expended to Sept. 30, 2002</u>	<u>Committed</u>	<u>Required Future Financing</u>
Buildings	\$ 40,207	\$ 34,920	\$ 5,287	None
Streets and Bridges	192,124	92,901	99,223	None
Storm Drainage and Flood Prevention	126,738	123,643	3,095	None
Improvements Other Than Buildings	292,270	265,055	27,215	None
Total	<u>\$ 651,339</u>	<u>\$ 516,519</u>	<u>\$ 134,820</u>	None

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(amounts are expressed in thousands)

## 5. DUE (TO) FROM OTHER FUNDS

The following is a summary of interfund receivables and payables for the City as of September 30, 2002:

Summary Table of Interfund Receivables and Payables As of September 30, 2002		
	Due From Other Funds	Due To Other Funds
General Fund:		
Airport System	\$ 30	\$ 0
Fiduciary Funds	337	
Internal Service Funds		16
Nonmajor Governmental Funds	12,068	12
Total General Fund	12,435	28
Debt Service Funds:		
General Obligation Bonds	19	
Parking Facilities		48
Nonmajor Governmental Funds	306	
Total Debt Service Funds	325	48
General Obligation Bonds:		
Debt Service Funds		19
Nonmajor Governmental Funds		82
Total General Obligation Bonds		101
Airport System Fund:		
Airport I&C Fund from the Airport Operating Fund	2,143	
Airport I&C Fund from the Airport Debt Service Fund	478	
Airport Operating Fund to the Airport I&C Fund		2,143
Airport Debt Service Fund to the Airport I&C Fund		478
General Fund		30
Total Airport System Fund	2,621	2,651
Parking Facilities:		
Debt Service Funds	48	
Total Parking Facilities	48	
Fiduciary Agency Funds:		
General Fund		337
Nonmajor Governmental Funds		7
Total Fiduciary Agency Funds		344
Internal Service Funds:		
General Fund	16	
Internal Service	9,500	9,500
Nonmajor Governmental Funds	12,813	21
Total Internal Service Funds	22,329	9,521
Nonmajor Governmental Funds:		
General Fund	12	12,068
Debt Service Funds		306
General Obligation Bonds	82	
Fiduciary Agency Funds	7	
Internal Service Funds	21	12,813
Nonmajor Governmental Funds	2,427	2,427
Total Nonmajor Funds	2,549	27,614
<b>Total</b>	<b>\$ 40,307</b>	<b>\$ 40,307</b>

(amounts are expressed in thousands)

## **5. DUE TO (FROM) OTHER FUNDS (Continued)**

As of September 30, 2002, \$113 was owed to the Internal Service Funds by a Nonmajor Special Revenue Fund for loans made to fund improvements and leasing agent commissions at the International Center. This amount is scheduled to be collected in fiscal year 2003. In addition, a loan of \$478 was made by the Airport Improvement Contingency Fund to the Aviation Debt Service Fund in fiscal year 2002 for prepaid bond costs in connection with a Forward Refunding. Repayment is expected on April 8, 2003. The remaining balances represent short term loans resulting from (1) timing differences between the dates that transactions are recorded in the accounting system and (2) short-term borrowings at year end. Of the \$12,435 due from other funds in the General Fund, \$10,579 is a result of overdrafts of pooled cash.

## **6. LONG-TERM DEBT**

### **A. Primary Government (City)**

#### **1. Governmental Activity Long-Term Debt**

The City maintains a proactive debt management policy. The City's debt management plan employs a comprehensive analysis of the City's financial resources and capital improvement costs. Incorporated into the plan are long-term cash flow projections for the City's infrastructure needs, annexation plans, growth in assessed valuations and the revenue generating capacity of certain enterprise and self-supporting operations. The objective of the planning process is to minimize the cost of funds, minimize the impact on taxes and/or rate structures and maximize the benefits of capital improvements. Consistent with overall debt management is maintaining strong credit-worthiness. Routine comprehensive financial analysis and strict adherence to conservative financial management has allowed the City to meet its financing needs while at the same time maintaining its Aa2/AA+/AA+ bond rating by Moody's Investors Service, Standard & Poor's Public Finance Ratings Services and Fitch, Inc., respectively as of September 30, 2002.

The City's on-going capital improvement financing for infrastructure and "quality of life" purposes resulted in the issuance of additional indebtedness during fiscal year 2002. In November 2001, the City issued the following: \$84,945 General Improvement and Refunding Bonds, Series 2001 and \$65,195 Combination Tax and Revenue Certificates of Obligation, Series 2001. The bonds are secured by a pledge of ad valorem taxes while the certificates are secured by a pledge of ad valorem taxes and revenues from certain revenue generating operations.

The General Improvement and Refunding Bonds, Series 2001 were utilized to refund a portion of the City's outstanding tax supported debt, fund capital improvement projects to include streets and pedestrian improvements; drainage improvements; flood control with park improvements; parks and recreation facilities improvements; library system improvements; and public safety improvements. The Series 2001 General Improvement and Refunding Bonds are retired serially in the years 2002 through 2022 and bear interest rates ranging from 3.000% to 5.250%.

Proceeds of the Combination Tax and Revenue Certificates of Obligation, Series 2001 will be utilized to fund capital improvements to include public safety, including constructing new fire stations and renovating and improving existing fire stations; street, sidewalk, bridge, and drainage improvements; improvements and renovations to existing municipal facilities; the acquisition of buildings, construction of street and drainage improvements and utility relocation related thereto, and demolition of buildings, relating to KellyUSA; construction of park improvements; the purchase of materials, supplies, machinery, land, and rights-of-way for authorized needs and purposes relating to public safety, drainage, street and public work purposes; the implementation of a new Enterprise Resource Management System, including development and installation costs relating thereto; and professional services related to the construction and financing of the aforementioned projects. The certificates are retired serially in the years 2003 through 2014 and bear interest rates ranging from 4.000% to 5.250%.

(amounts are expressed in thousands)

## **6. LONG-TERM DEBT (Continued)**

### **A. Primary Government (City) (Continued)**

#### **1. Governmental Activity Long-Term Debt (Continued)**

Additionally, in May 2002, the City issued \$251,280 of General Improvement Forward Refunding Bonds, Series 2002, of which \$239,910 is recorded in governmental funds and \$11,370 is recorded in proprietary funds. Delivery of the bonds occurred on May 8, 2002. These obligations were issued to advance refund \$256,125 of outstanding long-term debt, of which \$244,535 was recorded in governmental funds and \$11,590 was recorded in proprietary funds. The obligations bear interest ranging from 4.000% to 5.250% and will be retired serially in the years 2002 through 2013.

A portion in the amount of \$7,112 of the net proceeds from the sale of the 2001 General Improvement and Refunding Bonds, including \$92 of the original issue premium, was applied to fund an escrow fund for the redemption, discharge, and defeasance of the refunded obligations. As a result of the 2001 refunding, the City will realize a total reduction of \$1,332 in debt service payments. Through the transaction, the City obtained a total economic gain (difference between the present values of the debt service payments on the old and new debt) of \$926.

The net proceeds from the sale of the 2002 Forward Refunding bonds, which included an original issue premium of \$13,638, were applied to fund an escrow fund for the redemption, discharge, and defeasance of the refunded obligations. As a result of the 2002 refunding, the City will realize a total reduction of \$23,561 in debt service payments, of which \$22,570 is allocated to governmental funds. Through the transactions, the City obtained a total economic gain (difference between the present values of the debt service payments on the old and new debt) of \$19,662, of which \$18,924 is allocated to governmental funds.

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 1. Governmental Activity Long-Term Debt (Continued)

The following table is a summary of changes for the year ended September 30, 2002 for governmental activity debt:

Governmental Activity Long-Term Debt							
Issue	Original Amount	Final Principal Payment <sup>1</sup>	Interest Rates (%) <sup>1</sup>	Balance Outstanding October 1, 2001	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2002
<b>General Obligation Bonds<sup>2,3</sup></b>							
1988 Refunding	\$ 132,978	2006	7.250-7.400	\$ 4,008	\$	\$ 0	\$ 4,008
1992 Refunding	380,540	2013	5.200-5.750	259,255		259,255	0
1993 Refunding	92,165	2014	4.000-8.000	78,435		7,340	71,095
1994	30,450	2004	5.800-6.000	3,850		1,200	2,650
1996	35,330	2015	5.100-5.250	28,475		1,375	27,100
1996A Refunding	82,235	2016	4.375-6.000	75,565		1,385	74,180
1996B Refunding	6,030	2008	6.350-6.700	4,435		525	3,910
1998 Refunding	30,855	2018	4.500-5.000	29,395		785	28,610
1998 Forward Refunding	53,950	2008	5.500-6.000	44,260		7,340	36,920
1998A Refunding	47,955	2019	4.000-4.750	47,040		855	46,185
1999	12,000	2020	5.375-6.000	12,000		360	11,640
2000	27,565	2020	4.500-5.000	27,565		910	26,655
2000A	15,615	2021	5.250-5.375	15,615			15,615
2001	84,945	2022	3.000-5.250		84,945	285	84,660
2002 Refunding	239,910	2013	4.000-5.250		239,910	3,665	236,245
Subtotal	\$ 1,272,523			\$ 629,898	\$ 324,855	\$ 285,280	\$ 669,473
<b>Tax -Exempt Commercial Paper</b>							
Series 2000	\$ 15,000	2020	5.000	\$ 15,000	\$ 0	\$ 15,000	\$ 0
Series 2001	32,700	2004	1.200-3.450	32,700		11,900	20,800
Subtotal	\$ 47,700			\$ 47,700	\$	\$ 26,900	\$ 20,800
<b>Tax -Exempt Certificates of Obligation</b>							
Series 1988	\$ 4,400	2002	7.300	\$ 275	\$	\$ 275	\$ 0
Series 1992	17,655	2013	5.200-5.750	7,620		7,620	0
Series 1994	9,900	2004	5.750-6.000	1,260		375	885
Series 1996	8,415	2015	5.100-5.400	6,805		330	6,475
Series 1996A	12,515	2016	4.375-5.250	10,355		485	9,870
Series 1998	4,315	2018	4.625-5.000	3,730		315	3,415
Series 1998A	36,535	2019	4.000-4.750	33,585		1,560	32,025
Series 1999	4,230	2020	5.750-6.000	4,230		125	4,105
Series 2000	8,490	2020	4.500-5.000	8,490		280	8,210
Series 2000A	8,810	2021	5.250-5.375	8,810			8,810
Series 2000C	6,415	2020	5.000-5.500	6,415			6,415
Series 2001	65,195	2014	4.000-5.250		65,195		65,195
Subtotal	\$ 186,875			\$ 91,575	\$ 65,195	\$ 11,365	\$ 145,405
<b>Taxable Certificates of Obligation</b>							
Series 1988	\$ 6,700	2008	9.400-9.500	\$ 3,925	\$	\$ 3,925	\$ 0
Series 1996	6,160	2015	6.550-7.125	5,100		3,050	2,050
Series 1996B	7,375	2016	6.350-7.250	6,230		255	5,975
Series 2000B	1,755	2021	7.450-7.550	1,755			1,755
Subtotal	\$ 21,990			\$ 17,010	\$ 0	\$ 7,230	\$ 9,780
<b>Hotel Occupancy Tax Revenue Bonds<sup>4</sup></b>							
Series 1996	\$ 182,012	2026	4.700-5.700	\$ 180,773	\$	\$ 1,380	\$ 179,393
Total	\$ 1,711,100			\$ 966,956	\$ 390,050	\$ 332,155	\$ 1,024,851

<sup>1</sup> A portion of the outstanding principal applicable to certain series of bonds was advance refunded, prior to maturity, by the Series 1988, 1992, 1993, 1996A, 1996B, 1998, 1998A, and 2002 refunding bonds. Proceeds from the refunding bonds along with a cash contribution from the City's Debt Service Fund were utilized to purchase securities, guaranteed by the United States of America, which were irrevocably deposited into escrow accounts whose principal is scheduled to mature on such dates that when added to interest earned in the escrow accounts, is fully sufficient to make timely payment on the refunded bonds. The refunded bonds represent a legal defeasance and are not a liability of the City.

<sup>2</sup> Accretion of interest on the 1988 General Improvement Refunding Bonds for Fiscal Year 2002 resulted in an increase of \$6,832 in General Obligation Bonds Payable. This increase is reflected on the Combined Balance Sheet but is not shown on the above table.

<sup>3</sup> As of October 1, 2001, all outstanding Golf Course debt was reclassified to Governmental Debt. These balances are now reflected in the above table.

<sup>4</sup> A portion of the Hotel Occupancy Tax Revenue Bonds, Series 1996 were sold as Capital Appreciation Bonds (CABS). Interest on the CABS will accrete from the date of delivery and will be payable only at maturity or redemption. The interest accreted through Fiscal Year 2002 resulted in an increase of \$10,947 in Revenue Bonds Payable. The accreted interest is reflected on the Combined Balance Sheet but is not shown on the above table.

(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 1. Governmental Activity Long-Term Debt (Continued)

#### Annual Requirements

The annual requirements to amortize all General Obligation Bonds, Tax Exempt Commercial Paper, Certificates of Obligation, Hotel Occupancy Tax Revenue Bonds, outstanding as of September 30, 2002, are as follows:

Principal and Interest Requirements									
Year Ending September 30,	General Obligation Bonds		Tax Exempt Commercial Paper		Certificates of Obligation		Hotel Occupancy Tax Revenue Bonds		Total Annual Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2003	\$ 47,155	\$ 33,227	\$ 11,400	\$ 510	\$ 6,550	\$ 7,835	\$ 2,045	\$ 8,756	\$ 117,478
2004	48,205	31,007	9,400	190	9,420	7,471	2,785	8,658	117,136
2005	45,134	33,695			9,525	7,033	3,515	8,522	107,424
2006	44,129	31,573			9,970	6,580	4,255	8,346	104,853
2007	48,585	24,488			10,505	6,075	5,105	8,091	102,849
2008-2012	250,380	82,897			58,665	21,745	28,521	47,468	489,676
2013-2017	114,985	31,965			39,400	7,147	16,041	68,943	278,481
2018-2022	70,900	8,278			11,150	980	57,820	27,172	176,300
2023-2027							59,306	8,685	67,991
Total	\$ 669,473	\$ 277,130 <sup>1</sup>	\$ 20,800	\$ 700	\$ 155,185	\$ 64,866	\$ 179,393 <sup>1</sup>	\$ 194,641	\$ 1,562,188
Total Principal & Interest Payable Within One Year									
Principal	\$ 47,155		\$ 11,400		\$ 6,550		\$ 2,045		\$ 67,150
Interest	33,227		510		7,835		8,756		50,328
Total	\$ 80,382		\$ 11,910		\$ 14,385		\$ 10,801		\$ 117,478

<sup>1</sup> Accretion of interest on the 1998 General Improvement Bonds for the year ended September 30, 2002 resulted in an increase of \$6,832 in General Obligation Bonds Payable. Total interest to be accreted is reflected in the interest portion of the above table.

<sup>2</sup> A portion of the Hotel Motel Occupancy Tax Revenue Bonds (Series 1996) were sold as Capital Appreciation Bonds (CABS). Interest on the CABS accretes from the date of delivery and will be payable only at maturity or redemption. The interest accreted through September 30, 2002 resulted in an increase of \$10,947 in Revenue Bonds Payable. Total interest to be accreted is reflected in the interest portion of the above table.

(amounts are expressed in thousands)



## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 1. Governmental Activity Long-Term Debt (Continued)

Authorized But Unissued General Obligation Debt				
Authorization Date	Purpose	Amount Authorized	Bonds Previously Issued	Bonds Authorized But Unissued
1-26-80 <sup>1</sup>	Drainage and Flood Control	\$ 21,637	\$ 17,413	\$ 4,224
1-26-80 <sup>1</sup>	Fire Protection	4,257	2,125	2,132
1-26-80 <sup>1</sup>	Libraries	4,978	3,926	1,052
1-26-80 <sup>1</sup>	Street, Bridge, and Related Improvements	43,287	34,035	9,252
5-07-94	Street Improvements	25,600	25,600	
5-07-94	Drainage Improvements	34,400	34,400	
5-07-94	Parks and Recreation	41,600	41,600	
5-01-99	Streets and Pedestrian Improvements	41,300	36,590	4,710
5-01-99	Drainage	19,000	14,165	4,835
5-01-99	Flood Control	12,200	12,200	
5-01-99	Parks and Recreation	24,200	18,164	6,036
5-01-99	Library System	13,200	6,426	6,774
5-01-99	Public Safety	30,300	20,045	10,255
Total		<u>\$ 315,959</u>	<u>\$ 266,689</u>	<u>\$ 49,270</u>

<sup>1</sup> In addition to the debt authorized on May 1, 1999, the City has authority pursuant to an election held on January 26, 1980 to issue \$16,660,000 in bonds. The City does not currently intend to issue the bonds authorized in 1980.

### Debt Limitation

The amount of debt that the City may incur is limited by City Charter and by the Constitution of the State of Texas. The City Charter establishes a limitation on the general obligation debt supported by ad valorem taxes to an amount not to exceed 10% of the total assessed valuation. The total assessed valuation for the fiscal year ending 2002 was \$44,120,535 which provides a debt ceiling of \$4,412,054. The total outstanding debt that is secured by an ad valorem tax pledge is \$838,428.

The Constitution of the State of Texas provides that the ad valorem taxes levied by the City for debt service and maintenance and operation purposes shall not exceed \$2.50 for each one hundred dollars of assessed valuation of taxable property. There is no limitation within the \$2.50 rate for interest and sinking fund purposes; however, it is the policy of the Attorney General of the State of Texas to prohibit the issuance of debt by a city if such issuance produces debt service requirements that exceed the amount that can be paid from \$1.50 tax rate calculated at 90% collections.

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### Interfund Borrowings

As an alternative to the issuance of external debt to finance certain projects/purchases, the City has determined that the use of available cash balances in the Internal Service Equipment Replacement Funds is a viable option. In certain instances, after an evaluation of project/purchase funding requirements, it has been determined that some funds or operations may require temporary financing. As an option, the City has authorized such internal temporary financing from available cash balances in the Internal Service Equipment Replacement Funds to meet these needs.

In June 1999, a loan was authorized from the City's Internal Service Fund to the International Center Special Revenue Fund to assist in the financing of permanent building improvements and leasing agent commissions. The principal amount of the note is \$200 with an annual interest rate of 6% and a repayment period of October 1999 through September 2003. In December 1999, a second loan was authorized from the City's Internal Service Fund to the International Center Fund to cover additional permanent building improvements. The principal amount of the note is \$137 with an annual interest rate of 6% and a repayment period of December 1999 through September 2003. In September 1999, a third loan was authorized from the City's Internal Service Fund to the International Center Fund to cover additional permanent building improvements. The principal amount of the note is \$62 with an annual interest rate of 6% and a repayment period of April 2000 through September 2003. Revenues from the International Center rentals will be utilized to meet the annual principal and interest requirements of the notes. As of September 30, 2002, the remaining balance for the notes payable from the International Center Fund have been recorded as a governmental liability. The following is an annual debt service schedule:

Principal and Interest Requirements			
Year Ending September 30,	Principal	Interest	Total Annual Requirements
2003	\$ 113	\$ 7	\$ 120

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### Leases

The City leases property and equipment from others. Leased property having elements of ownership are recorded in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when matured in the governmental fund financial statements. Total expenditures for operating leases for the fiscal year ended September 30, 2002 were approximately \$2.9 million.

The City has entered into various lease purchase agreements for the acquisition of computers, copiers, fire trucks, golf equipment, public works equipment, a high capacity trailer, and a hazardous materials vehicle. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the date of inception. Payments on each of the lease purchases will be made from budgeted annual appropriations to be approved by the City Council.

The assets acquired through capital leases for governmental activities are as follows:

Asset:	
Machinery and Equipment	\$ 11,756
Less: Accumulated Depreciation	(3,061)
Total	<u>\$ 8,695</u>

As of September 30, 2002, the City (excluding discretely presented component units) had future minimum lease payments under capital and operating leases with a remaining term in excess of one year for governmental activities as follows:

Leases - Governmental Activities			
	Capital Leases	Operating Leases	Total
<b>Governmental Activities:</b>			
Fiscal year ending September 30:			
2003	\$ 3,166	\$ 2,649	\$ 5,815
2004	2,543	2,248	4,791
2005	2,077	1,770	3,847
2006	734	1,672	2,406
2007	390	780	1,170
2008-2012		2,971	2,971
2013-2017		3,277	3,277
2018-2022		2,821	2,821
Future Minimum Lease Payments	<u>8,910</u>	<u>\$ 18,188</u>	<u>\$ 27,098</u>
Less: Interest	<u>(613)</u>		
Present Value of Future			
Minimum Lease Payments	8,297		
Less: Current Portion	<u>(2,867)</u>		
Capital Leases, net of current portion	<u>\$ 5,430</u>		

(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 2. Proprietary Long-Term Debt

Proprietary long-term debt applies to those City operations that relate to business and quasi-business activities where net income and capital maintenance are measured (Enterprise and Internal Service Funds). Long-term debt, which is to be repaid from proprietary funds resources, is reported in the respective proprietary fund. The long-term indebtedness of the City's Enterprise Funds is presented in the discussion that follows.

Airport System: The Airport System includes the City of San Antonio International Airport and Stinson Municipal Airport and all land, buildings, structures, equipment, and facilities pertaining thereto. The Airport System's long-term debt is equally and ratably secured solely by a first lien on and pledge of the Gross Revenues of the Airport System. Gross Revenues of the Airport System include all revenues of any nature derived from contracts or use agreements with airlines and other users of the System and its facilities. In March 2002, the City sold \$92,470 City of San Antonio, Texas Airport System Revenue Improvement Bonds, Series 2002 (GAR Bonds), which will be utilized to provide funds for the construction, improvements, equipment, renovation, and additions to the International Airport and to pay costs of issuances thereof. The bonds are retired in years 2005 to 2027 and have interest rates ranging from 5.00% to 5.75%.

On April 19, 2001, the City Council approved the sale of the City of San Antonio, Texas Airport System Forward Refunding Revenue Bonds, Series 2003. Delivery of these obligations is expected to occur on or about April 8, 2003. The principal amount is \$50,230 with maturities from 2004 through 2013, and interest rates from 5.50% to 6.00%. These bonds are special obligations of the City payable from gross revenues of the City's airport system. Proceeds will be combined with a cash contribution from the City and used to refund other Airport System obligations.

Additionally, in March 2002, the City sold \$37,575 of City of San Antonio, Texas Passenger Facility Charge (PFC) and Subordinate Lien Airport System Revenue Improvement Bonds, Series 2002, which will be available for purposes of acquiring and constructing PFC eligible airport-related projects. The Series 2002 PFC Bonds are secured by and payable from PFC revenues, with additional security provided by a pledge of the Subordinate Net Revenues of the Airport System subordinated to the timely payment of debt service on all parity bonds. The bonds are retired in years 2003 to 2027 and have interest rates ranging from 4.00% to 5.75%. GAR and PFC bonds are insured by Financial Guaranty Insurance Company and are rated Aaa/AAA/AAA by Moody's Investors Service, Standard & Poor's Public Finance Ratings Services and Fitch, Inc., respectively. Total annual principal and interest requirements for the Airport System are shown in the table at the end of this section.

Parking System: The Parking System operation includes the ownership and operation of parking facilities, parking lots, parking meters and retail/office space. Long-term debt is allocated to the Parking System on a pro-rata basis from proceeds received from the issuance of general obligation and certificate of obligation debt and is paid from revenues derived from the operation of the Parking System. This allocated debt is additionally secured by an ad valorem tax pledge. Additionally, during fiscal year 2000, Revenue bonds were issued to construct two new parking garages; renovate certain existing facilities; and provide signage. The bonds are payable from and secured by a first lien on and a pledge of the gross revenues derived from the ownership and operation of the City's Parking system. The bonds are retired serially in years 2004 to 2024 and bear interest rates from ranging from 5.000% to 5.750%.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)****A. Primary Government (City) (Continued)****2. Proprietary Long-Term Debt (Continued)**

In May 2002, the City issued \$251,280 of General Improvement Forward Refunding Bonds, Series 2002 of which \$239,910 was reported in governmental funds and \$11,370 was reported in proprietary funds. Delivery of the bonds occurred on May 8, 2002. These obligations were issued to advance refund \$256,125 of outstanding long-term debt, of which \$244,535 was reported in governmental funds and \$11,590 was reported in proprietary funds. The obligations bear interest ranging from 4.000% to 5.250% and will be retired serially in the years 2002 through 2013.

The net proceeds from the sale of the 2002 Forward Refunding bonds, which included an original issue premium of \$13,638, were applied to fund an escrow fund for the redemption, discharge, and defeasance of the refunded obligations. As a result of the 2002 refunding, the City will realize a total reduction of \$23,561 in debt service payments, of which \$991 will be realized by the Parking Fund. Through the transactions, the City obtained a total economic gain (difference between the present values of the debt service payments on the old and new debt) of \$19,662, of which \$738 was realized by the Parking Fund. Total annual principal and interest requirements for the Parking System are shown in the table at the end of this section.

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 2. Proprietary Long-Term Debt (Continued)

The following table is a summary of changes in revenue bonds, general obligation bonds and tax-exempt certificates of obligation for the fiscal year ended September 30, 2002.

Proprietary Long-Term Debt							
Issues	Original Amount	Final Principal Payment	Interest Rates (%) <sup>1</sup>	Balance Outstanding October 1, 2001	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2002
<b>Airport System</b>							
Revenue Bonds:							
Series 1992 Refunding	\$ 3,130	2009	6.100	\$ 3,130	\$ 0	\$ 0	\$ 3,130
Series 1992	21,655	2006	5.500-5.750	9,675		1,720	7,955
Series 1993 Refunding	73,785	2013	7.000-7.375	55,545		3,085	52,460
Series 1996	38,000	2014	5.700-5.750	19,225		275	18,950
Series 2001	17,795	2016	5.375	17,795			17,795
Series 2002	92,470	2027	5.000-5.750		92,470		92,470
Series PFC	37,575	2027	4.000-5.750		37,575		37,575
Subtotal	<u>\$ 284,410</u>			<u>\$ 105,370</u>	<u>\$ 130,045</u>	<u>\$ 5,080</u>	<u>\$ 230,335</u>
<b>Parking System</b>							
Revenue Bonds:							
Series 2000	\$ 24,845	2024	5.000-5.750	\$ 24,845	\$ 0	\$ 0	\$ 24,845
General Obligation:							
Series 1992 Refunding	16,785	2013	5.200-5.750	11,330		11,330	
Series 1996A Refunding	495	2014	4.650-5.400	495			495
Series 1998A Refunding	1,155	2013	4.000-5.250	1,155			1,155
Series 2002 Refunding	11,370	2013	4.000-5.250		11,370	165	11,205
Tax Exempt Certificates of Obligation							
Series 1992	1,735	2013	5.200-5.750	1,245		1,245	
Series 1994	700	2004	5.750-6.000	90		25	65
Series 1996	1,105	2015	5.100-5.400	895		45	850
Subtotal	<u>\$ 58,190</u>			<u>\$ 40,055</u>	<u>\$ 11,370</u>	<u>\$ 12,810</u>	<u>\$ 38,615</u>
Total	<u>\$ 342,600</u>			<u>\$ 145,425</u>	<u>\$ 141,415</u>	<u>\$ 17,890</u>	<u>\$ 268,950</u>
<sup>1</sup> A portion of the outstanding principle applicable to certain series of Parking System bonds and certificates of obligation were advance refunded prior to maturity, by the Series 1988, 1992, 1993, 1996A, 1998A, and 2002 refunding bonds. Proceeds from the refunding bonds along with a cash contribution from the City's Debt Service Fund were utilized to purchase securities, guaranteed by the United States of America, which were irrevocably deposited into escrow accounts whose principle is scheduled to mature on such dates that when added to interest earned in the escrow accounts, is fully sufficient to make timely payments on the refunded bonds. The refunded bonds represent a legal defeasance and are not a liability of the City.							

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 2. Proprietary Long-Term Debt (Continued)

The annual requirements to amortize long-term debt for the City's Enterprise Funds related to revenue bonds, general obligations, and certificates of obligation outstanding at September 30, 2002, are as follows:

Proprietary Long-Term Debt						
Year End Sept. 30:	Airport System			Parking System		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 6,185	\$ 13,425	\$ 19,610	\$ 1,140	\$ 2,041	\$ 3,181
2004	6,570	13,044	19,614	1,590	1,995	3,585
2005	8,060	12,632	20,692	1,670	1,921	3,591
2006	8,575	12,140	20,715	1,760	1,839	3,599
2007	8,505	11,616	20,121	1,830	1,751	3,581
2008-2012	56,440	48,935	105,375	10,535	7,248	17,783
2013-2017	56,985	29,700	86,685	7,375	4,804	12,179
2018-2022	34,305	17,362	51,667	8,560	2,715	11,275
2023-2027	44,710	7,289	51,999	4,155	362	4,517
Total	<u>\$ 230,335</u>	<u>\$ 166,143</u>	<u>\$ 396,478</u>	<u>\$ 38,615</u>	<u>\$ 24,676</u>	<u>\$ 63,291</u>

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 2. Proprietary Long-Term Debt (Continued)

#### Leases

The City has entered into various lease purchase agreements for the acquisition of computers, copiers, fire trucks, golf equipment, public works equipment, a high capacity trailer, and a hazardous materials vehicle. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the date of inception. Payments on each of the lease purchases will be made from budgeted annual appropriations to be approved by the City Council.

The assets acquired through capital leases for business-type activities are as follows:

Asset:	
Machinery and Equipment	\$ 709
Less: Accumulated Depreciation	(59)
Total	<u>\$ 650</u>

As of September 30, 2002, the City (excluding discretely presented component units) had future minimum payments under capital leases with a remaining term in excess of one year for business-type activities as follows:

Leases - Proprietary Activities: Nonmajor Enterprise Fund	
	Capital Leases
<b>Proprietary Activities</b>	
Fiscal year ending September 30:	
2003	\$ 156
2004	156
2005	156
2006	155
2007	117
Future minimum lease payments	<u>740</u>
Less: Interest	<u>(63)</u>
Present Value of Future minimum Lease Payments	677
Less: Current Portion	<u>(133)</u>
Capital Leases, net of current portion	<u>\$ 544</u>

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(amounts are expressed in thousands)



**6. LONG-TERM DEBT (Continued)****A. Primary Government (City) (Continued)****3. Governmental and Proprietary Long-Term Debt****Long-Term Obligations and Amounts Due Within One Year**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 629,898	\$ 324,855	\$ 285,280	\$ 669,473	\$ 47,155
Tax-Exempt Commercial Paper	47,700		26,900	20,800	11,400
Tax-Exempt Certificates of Obligation	91,575	65,195	11,365	145,405	6,010
Taxable Certificates of Obligation	17,010		7,230	9,780	540
Hotel Tax Revenue	180,773		1,380	179,393	2,045
	<u>966,956</u>	<u>390,050</u>	<u>332,155</u>	<u>1,024,851</u>	<u>67,150</u>
Less: Unamortized (Discount)/Premium		19,548	874	18,674	1,626
Deferred Amount on Refunding		(720)	164	(556)	(196)
Total Bonds Payable	<u>966,956</u>	<u>408,878</u>	<u>333,193</u>	<u>1,042,969</u>	<u>68,580</u>
Other Liabilities:					
Accrued Arbitrage Rebate Payable	694	907	21	1,580	381
Capital Leases	5,049	5,083	1,835	8,297	2,867
Compensated Absences	79,210	77,691	42,807	114,094	34,740
	<u>84,953</u>	<u>83,681</u>	<u>44,663</u>	<u>123,971</u>	<u>37,988</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 1,051,909</u>	<u>\$ 492,559</u>	<u>\$ 377,856</u>	<u>\$ 1,166,940</u>	<u>\$ 106,568</u>
<b>Business-type Activities:</b>					
Bond Payable:					
General Obligation Bonds	\$ 12,980	\$ 11,370	\$ 11,495	\$ 12,855	\$ 1,065
Revenue Bonds	130,215	130,045	5,080	255,180	6,185
Tax-Exempt Certificates of Obligation	2,230		1,315	915	75
	<u>145,425</u>	<u>141,415</u>	<u>17,890</u>	<u>268,950</u>	<u>7,325</u>
Less: Unamortized (Discount)/Premium	(641)	1,558		917	
Deferred Amount on Refunding	(96)	(457)	25	(528)	
Total Bonds Payable	<u>144,688</u>	<u>142,516</u>	<u>17,915</u>	<u>269,339</u>	<u>7,325</u>
Other Payables:					
Aviation	992	507	851	649	5
Parking	997	142	694	445	5
Nonmajor Fund	1,069	25	41	1,053	1,084
Total Other Payables	<u>3,058</u>	<u>674</u>	<u>1,586</u>	<u>2,147</u>	<u>1,094</u>
Capital Leases-Nonmajor Fund		708	32	677	133
Compensated Absences	1,948	300	525	1,723	287
Total Other Liabilities	<u>5,006</u>	<u>1,682</u>	<u>2,143</u>	<u>4,547</u>	<u>1,514</u>
Business-type Activity					
Long-term Liabilities	<u>\$ 149,694</u>	<u>\$ 144,198</u>	<u>\$ 20,058</u>	<u>\$ 273,886</u>	<u>\$ 8,839</u>

The accreted interest for Fiscal Year 2002, resulted in an increase of \$10,947 in Hotel Tax Revenue Bonds Payable in governmental activities and an increase of \$6,832 in General Obligation Bonds Payable. The accreted interest in the amount of \$17,779 is reflected on the governmental fund combined statement but is not reflected in this table.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**3. Governmental and Proprietary Long-Term Debt (Continued)**

**Compensated Absences**

The following is a summary of compensated absences for the year ended September 30, 2002:

<b>Governmental Activities</b>					
<u>Fund Type</u>	<u>Short-Term Available</u>	<u>Short-Term Remaining</u>	<u>Total Short-Term</u>	<u>Long-Term</u>	<u>Total</u>
Governmental Funds	\$ 5,760	\$ 28,800	\$ 34,560	\$ 78,452	\$ 113,012
Internal Service Funds		180	180	902	1,082
Total Governmental Activities	<u>\$ 5,760</u>	<u>\$ 28,980</u>	<u>\$ 34,740</u>	<u>\$ 79,354</u>	<u>\$ 114,094</u>

<b>Business-Type Activities</b>			
<u>Fund</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Aiport	\$ 140	\$ 700	\$ 840
Parking	20	103	123
Non-Major Fund	127	633	760
Total Business-Type Activities	<u>\$ 287</u>	<u>\$ 1,436</u>	<u>\$ 1,723</u>

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(amounts are expressed in thousands)

## **6. LONG-TERM DEBT (Continued)**

### **A. Primary Government (City) (Continued)**

#### **3. Governmental and Proprietary Long-Term Debt (Continued)**

##### **Conduit Debt Obligations**

The City facilitates the issuance of bonds to enable the San Antonio Industrial Development Authority, Health Facilities Development Corporation and the Education Facilities Corporation (formerly known as Higher Education Authority), component units of the City, to provide financial assistance to various entities for the acquisition, construction or renovation of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired property transfers to the entity served by the bond issuance. As of September 30, 2002, there were thirty-five series of Industrial Revenue Bonds, twenty-one series of Health Facilities Development Bonds, and eleven series of Education Facility Revenue Bonds outstanding. The aggregate principal amount payable for the one series of Industrial Revenue Bonds, the one series of Health Facilities Development Bonds, and the four series Education Facility Revenue Bonds issued after October 1, 1997 was \$5,500, \$15,500, \$58,080, respectively. The aggregate principal amount payable for the remaining series of Industrial Revenue Bonds, Health Facilities Development Bonds, and Education Facility Revenue Bonds issued prior to October 1, 1997 is \$112,490, \$80,581, and \$67,720, respectively.

The City also facilitates the issuance of tax exempt revenue bonds to enable the San Antonio Housing Finance Corporation to provide financing of residential developments for persons of low and moderate income. The bonds are secured by the property financed and are payable solely from and secured by a pledge of rental receipts. As of June 30, 2002, there were twenty-three series of tax exempt revenue bonds outstanding with an aggregate principal amount payable of \$112,345 and an aggregate principal amount issued of \$130,300.

To provide for the acquisition and construction of certain airport facilities, the City has issued Special Facilities Airport Revenue Bonds, Series 1995 and Special Airport Facilities Revenue Refunding Bonds, Series 1999. The bonds are payable pursuant to lease agreements, which stipulate that various commercial entities are obligated to pay amounts to a third party trustee in-lieu of lease payments to the City. These payments are sufficient to pay when due the principal, premium, interest on and purchase price of the bonds. The aggregate principal amount payable for the Special Facilities Airport Revenue Bonds, Series 1995 and for the Special Airport Facilities Revenue Refunding Bonds, Series 1999 at September 30, 2002 was \$4,600 and \$3,973, respectively.

The Municipal Facilities Corporation was created in 2001 to aid and act on behalf of the City to acquire, construct, equip, finance, operate and maintain land and municipal facilities for the City. The City of San Antonio, Municipal Facilities Corporation Lease Revenue Bonds, Series 2001 were issued to finance the acquisition and construction of a municipal office facility which, in turn, is leased to the City. The bonds are secured by the property financed and are payable solely from the lease payments made by the City sufficient to pay principal and interest on the bonds and are subject to annual budget appropriations. The bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2002, the Municipal Facilities Corporation Lease Revenue Bonds outstanding totaled \$13,955.

Neither the City, the State of Texas, nor any political subdivision is obligated in any manner for repayment of the aforementioned bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### B. City Public Service (CPS)

As of January 31, 2002 the Bond Ordinances for New Series Bonds issued on and after August 6, 1992 contain, among others, the following provisions:

Funds in CPS's General Account shall be pledged and appropriated to be used in the following priority: (a) for maintenance and operating expenses of the systems, (b) for payments of the New Series Bonds, including the establishment and maintenance of the reserve therefore, (c) for the payment of any obligations inferior in lien to the New Series Bonds which may be issued, (d) for an amount equal to 6% of the gross revenues of the systems to be deposited in the Repair and Replacement Account, (e) for cash payments and benefits to the City not to exceed 14% of the gross revenues of the systems, and (f) any remaining net revenues in the General Account to the Repair and Replacement Account.

The maximum amount in cash to be transferred or credited to the General Fund of the City from the net revenues of the systems during any fiscal year shall not exceed 14% of the gross revenues of the systems less the value of gas and electric services of the systems used by the City for municipal purposes and the amounts expended during the fiscal year for additions to the street lighting system. The percentage of gross revenues of the systems to be paid over or credited to the General Fund of the City each fiscal year shall be determined (within the 14% limitation) by the governing body of the City. The net revenues of the systems are pledged to the payment of principal and interest on the New Series Bonds. All New Series Bonds and the interest thereon shall have a first lien upon the net revenues of the systems.

The City agrees that it will at all times maintain rates and charges for the sales of electric energy, gas, or other services furnished, provided, and supplied by the systems to the City and all other consumers which shall be reasonable and nondiscriminatory and which will produce income and revenues sufficient to pay:

- (a) all maintenance and operating expenses, depreciation, replacement and betterment expenses, and other costs as may be required by Chapter 1502, as amended, Texas Government Code;
- (b) the interest on and principal of all New Series Bonds, as and when the same shall become due, and for the establishment and maintenance of the funds and accounts created for the payment and security of the New Series Bonds;
- (c) to the extent the same are reasonably anticipated to be paid with available revenues (as defined in the ordinance authorizing the Commercial Paper), the interest on and principal of all Notes ( as defined in said ordinance), and
- (d) a legal debt or obligation the systems as and when the same shall become due.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)****B. City Public Service (CPS) (Continued)****Revenue Bonds**

A summary of revenue bonds is as follows:

<b>City Public Service Revenue Bonds</b>			
<b>Bond Series</b>	<b>Maturities</b>	<b>Weighted-Average Interest Rate on Outstanding Bonds</b>	<b>2002</b>
Tax Exempt New Series Bonds, 1992-2001	2003-2021	5.223%	\$ 2,445,270
Taxable New Series Bonds, 1998-2001	2003-2021	6.674%	144,590
Total New Series Bonds Outstanding		5.317%	2,589,860
Less: Current Maturities of Bonds			77,825
Total Revenue Bonds, net of current maturities			<u>\$ 2,512,035</u>

Principal and interest amounts due for the next five years and thereafter to maturity are:

<b>City Public Service</b>			
<b>Principal and Interest Requirements</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2003	\$ 77,825	\$ 136,336	\$ 214,161
2004	100,015	132,686	232,701
2005	120,335	127,615	247,950
2006	126,635	121,369	248,004
2007	134,515	114,766	249,281
2008-2012	776,510	463,969	1,240,479
2013-2017	740,305	250,425	990,730
2017-2021	513,720	60,431	574,151
Totals	<u>\$ 2,589,860</u>	<u>\$ 1,407,597</u>	<u>\$ 3,997,457</u>

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### B. City Public Service (CPS) (Continued)

In November 2001, CPS issued \$115.3 million of New Series 2001 Revenue Refunding Bonds at a true interest rate of 3.84 percent. The bonds were sold at a combined net premium of \$10.5 million.

The refunding bonds were issued to refund \$122.5 million in certain outstanding 1992 New Series Bonds, and were \$7.2 million less than the amount of bonds refunded. The refunding transaction resulted in cash flow savings of \$14.2 million, which equates to a present value savings of \$11.7 million, or 9.6 percent of the par amount of refunded bonds. This transaction resulted in loss for accounting purposes of \$2.4 million which has been deferred and will be amortized over the shorter of life of the refunded or refunding bonds.

Long-Term Debt Activity							
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding February 1, 2001	Additions During Year	Deletions During Year	Balance Outstanding January 31, 2002
<u>Revenue and Refunding Bonds</u>							
1992 Tax-exempt	\$ 700,805	2017	6.048	\$ 254,155	\$ 0	\$ 132,540	\$ 121,615
1994-A Tax-exempt	684,700	2014	5.008	595,805		30,235	565,570
1994-C Tax-exempt	56,000	2006	5.008	42,710			42,710
1995 Tax-exempt	125,000	2018	5.500	112,300		3,000	109,300
1997 Tax-exempt	350,000	2020	5.738	332,570			332,570
1997 Tax-exempt	311,170	2014	5.509	245,880		1,575	244,305
1998A Tax-exempt	785,515	2021	4.918	767,160		24,010	743,150
1998B Taxable	99,615	2020	6.343	97,045		1,655	95,390
2000A Tax-exempt	170,770	2017	5.374	170,770			170,770
2000B Taxable	50,425	2021	7.403	50,425		1,225	49,200
2001 Tax-exempt	115,280	2011	3.843		115,280		115,280
				<u>2,668,820</u>	<u>115,280</u>	<u>194,240</u>	<u>2,589,860</u>
Less Bond current maturities				71,755	6,070		77,825
Less Bond discount/(premium)				3,485	(10,528)	3,499	(10,542)
Less Bond acquisition costs				158,691	5,611	18,573	145,729
Revenue Bonds, Net				<u>2,434,889</u>	<u>114,127</u>	<u>172,168</u>	<u>2,376,848</u>
Tax-Exempt Commercial Paper (TECP)				<u>252,800</u>	<u>97,200</u>		<u>350,000</u>
Long-term Debt, Net				<u>\$ 2,687,689</u>	<u>\$ 211,327</u>	<u>\$ 172,168</u>	<u>\$ 2,726,848</u>

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### C. San Antonio Water System (SAWS)

On April 30, 1992, City Ordinance No. 75686 was adopted. This ordinance authorized the issuance of \$635,925 Water System Revenue Refunding Bonds, Series 1992, dated April 15, 1992. These bonds were issued to refund, in advance of maturity, \$253,065 Water Revenue Bonds authorized and outstanding under terms of City Ordinance No. 52091, \$330,125 of Sewer Revenue Bonds authorized and outstanding under terms of City Ordinance No. 51975, \$14,500 of other bonded debt of annexed water districts, and \$49,200 of Sewer System Commercial Paper. The purpose of this advance refunding was to release and discharge the covenants contained in City Ordinance No. 52091 and No. 51975 in order to permit the City to consolidate the operations of the water related utilities.

**The System:** City Ordinance No. 75686 defines SAWS as all properties, facilities, plants owned, operated and maintained by the City and/or the Board of Trustees, for the supply, treatment, transmission and distribution of treated potable water, chilled water and steam, for the collection and treatment of wastewater and for water reuse, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, and any other projects and programs of SAWS; provided however, that the City retains the right to incorporate a stormwater system as provided by the Texas Local Government Code. See "Stormwater" below.

**Funds Flow:** City Ordinance No. 75686 requires that Gross Revenues of SAWS be applied in sequence to: (1) current maintenance and operating expenses including a two month reserve based upon the budgeted amount of maintenance and operating expenses for the current fiscal year; (2) Debt Service Fund requirements of Senior Lien Obligations; (3) Reserve Fund requirements of Senior Lien Obligations; (4) Interest and Sinking Fund and Reserve Fund requirements of Junior Lien Obligations; (5) Interest and Sinking Fund and Reserve Fund requirements of Subordinate Lien Obligations; (6) payment of amounts required on Inferior Lien Obligations, and (7) transfers to the City's General Fund and to the Renewal and Replacement Fund.

**Reuse Contract:** SAWS has a contract with City Public Service, the City owned electricity and gas utility, for the provision of reuse water. The revenues derived from the contract have been restricted in use to only reuse activities, are excluded from the calculation of Gross Revenues, and are not included in any transfers to the City's General Fund. Revenues derived from this contract were \$1,167 during the seven months ended December 31, 2001.

SAWS is developing a recycled water system, which will provide non-potable water to various customers now using Edwards Aquifer water. During the seven months ended December 31, 2001, the System generated an additional \$252 in revenue from sales of recycled water. Revenue from recycled water sales is recorded as revenue of the System and does have the restrictions of the reuse contract.

**Stormwater:** In addition to the water related utilities which the Board has under its control, the City Council approved Ordinance No. 77949 on May 13, 1993, which established initial responsibilities over the Stormwater Program with the System and adopts a schedule of rates to be charged for stormwater services and programs. The Stormwater Program is deemed to not be a part of SAWS as the term is defined in City Ordinance No. 75686. Accordingly, operations of the Stormwater Program are not considered when determining compliance with debt covenants contained in City Ordinance 75686 or in calculating payments to be made to the City. In fiscal year 1997, the City Council placed the administrative responsibility with its own staff and entered into an interlocal agreement with SAWS for the provision of services related to certain water quality monitoring functions.

**No Free Service:** City Ordinance No. 75686 also provides for no free services except for municipal fire-fighting purposes.

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### C. San Antonio Water System (SAWS) (Continued)

#### Revenue Bonds

Senior Lien Water System Revenue Bonds, comprised of Series 1992, Series 1996, Series 1997, Series 1999, and Series 2001, outstanding in the amounts of \$594,200 are collateralized by a senior lien and pledge of Gross Revenues of SAWS after deducting and paying the current expenses of operation and maintenance of the System and maintaining an operating reserve for operating and maintenance expenses. At December 31, 2001, these bonds are due in varying amounts, from a low of \$13,540 in 2019 to a high of \$38,690 in 2012.

Junior Lien Water System Revenue Bonds, comprised of Series 1999, Series 1999-A, Series 2001, and Series 2001-A outstanding in the amount of \$134,255 at December 31, 2001, and are collateralized by a junior lien and pledge of the gross revenues of the System after deducting and paying the current expenses of operation and maintenance of the System, maintaining an operating reserve for operating and maintenance expenses, and debt service on senior lien debt. At December 31, 2001, the Junior Lien bonds were due in varying amounts, from a low of \$1,920 in 2020 to a high of \$10,900 in 2019.

Revenue bonds currently outstanding are as follows:

San Antonio Water System					
Purpose	Interest Rates		Amount		
Build, improve, extend, enlarge, and repair the System	1.85-6.5%		\$ 728,455		
The following summarizes transactions of the revenue bonds for the seven months ended December 31, 2001:					
	Beginning Balance June 1, 2001	Additions	Reductions	Ending Balance Dec. 31, 2001	Due Within One Year
Bonds Payable	\$ 728,455	\$ 0	\$ 0	\$ 728,455	\$ 25,045
Less Deferred Amounts					
For issuance discounts/ premiums/losses		1,639	(24,114)	(22,475)	
Total Bonds Payable, Net	\$ 728,455	\$ 1,639	\$ (24,114)	\$ 705,980	\$ 25,045

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(amounts are expressed in thousands)



**6. LONG-TERM DEBT (Continued)****C. San Antonio Water System (SAWS) (Continued)**

Annual debt service requirements are shown as follows:

San Antonio Water System Annual Debt Service Requirements Revenue Bonds				
Year Ended December 31,	Junior Lien Revenue and Refunding Bonds		Senior Lien Revenue and Refunding Bonds	
	Principal	Interest	Principal	Interest
2002	\$ 4,515	\$ 4,857	\$ 20,530	\$ 33,908
2003	4,640	4,726	22,085	32,610
2004	4,780	4,586	23,480	31,201
2005	4,920	4,436	24,945	29,760
2006	5,075	4,276	26,445	28,229
2007-2011	34,585	18,140	162,845	113,261
2012-2016	41,975	11,170	127,105	68,585
2017-2021	33,765	2,541	95,825	37,024
2022-2026			90,940	13,363
Total	<u>\$ 134,255</u>	<u>\$ 54,732</u>	<u>\$ 594,200</u>	<u>\$ 387,941</u>

**Capitalized Interest Costs**

Interest costs incurred on revenue bonds and short-term commercial paper debt totaled \$25,528 during the seven months ended December 31, 2001, of which \$4,169 was capitalized as part of the cost of SAWS' utility plant additions.

**Leases**

SAWS entered into various lease agreements for financing the acquisition of computer equipment, software and heavy equipment. These lease agreements meet the requirements of capital lease for accounting purposes and therefore, are recorded at the present value of the future minimum lease payments as of the inception date. The terms of the leases are for three to five years with payments of \$23,869 monthly and \$286,435 annually. The annual percentage rate of the leases range from 3.18% to 5.8%. At the end of the respective lease terms, the ownership of the equipment transfers to SAWS. Please note the amounts in this paragraph are not stated in thousands.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**C. San Antonio Water System (SAWS) (Continued)**

The future minimum lease obligations as of December 31, 2001, are as follows:

<b>San Antonio Water System Minimum Lease Obligation</b>			
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Requirements</u>
2002	\$ 306	\$ 35	\$ 341
2003	263	78	341
2004	124	8	132
2005	75	1	76
Total	<u>\$ 768</u>	<u>\$ 122</u>	<u>\$ 890</u>

**Note Payable**

During fiscal year 2000, a contract was entered into between SAWS and CPS whereby SAWS acquired water rights from certain CPS properties. A note was signed for 116 payments of \$40 at an interest rate of 7.5%. Total payments on this note are \$4,640 including interest. The liability as of December 31, 2001 is included in the statement of net assets for both the current portion of \$289 and long-term amount of \$2,389. The annual principal and interest requirements are as follows:

<b>San Antonio Water System Principal and Interest Requirements</b>			
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Annual Requirements</u>
2002	\$ 289	\$ 191	\$ 480
2003	311	169	480
2004	336	144	480
2005	362	118	480
2006	390	90	480
2007	420	60	480
2008	452	28	480
2009	118	2	120
Total	<u>\$ 2,678</u>	<u>\$ 802</u>	<u>\$ 3,480</u>

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(amounts are expressed in thousands)

## **7. COMMERCIAL PAPER PROGRAMS AND OTHER BORROWINGS**

### **A. Primary Government (City)**

#### **Commercial Paper**

In October 1999, the City Council of the City of San Antonio, Texas (City Council) adopted an ordinance authorizing the issuance of up to \$50,000 in General Improvement Commercial Paper Notes (the Notes). This ordinance provides interim financing to pay project costs for eligible projects and to refund obligations issued in connection with an eligible project. Eligible projects are defined as any project for which there exists, as of the date of the note ordinance, authorized but unissued obligations approved at an election held on May 1, 1999 and projects approved by future elections. The Notes will be issued with various maturities ranging from 1 to 270 days, provided however, that none of the Notes mature later than February 1, 2020.

Under a revolving credit agreement, dated as of December 15, 1999, between the City and Bank One, NA (the Bank) the City may borrow up to an aggregate principal amount of up to \$53,699 for the purposes of paying amounts due on the Commercial Paper notes. The notes were issued to pay costs of capital improvements authorized to be financed by the May 1, 1999 election.

The City issued \$15,000 of the General Improvement Commercial Paper Notes on July 6, 2000. Proceeds of the notes have been used to provide financing to pay costs for eligible projects. On November 29, 2001, the City issued bonds to refund the \$15,000 in outstanding Commercial Paper Notes.

On November 9, 2000, the City Council approved issuance of \$35,000 Sales Tax Commercial Paper Notes, Series A. The proceeds from the sale of the Notes are to provide for the planning, acquisition, establishment, development, construction, and renovation of the "Parks Development and Expansion Venue Project" authorized at an election held on May 6, 2000 which includes the acquisition of open space over the Edwards Aquifer Recharge Zone and linear parks along Leon Creek and Salado Creek, and the construction of improvements or additions to such Open Space Parks and Linear Parks. The Notes are supported by an irrevocable direct-pay Letter of Credit, dated as of December 5, 2000 to be issued by Landesbank Hessen-Thüringen Girozentrale, acting through its New York Bank (Helaba or the Bank). The Letter of Credit in an amount equal to \$37,589 enables the City to pay at maturity the principal amount of the Notes plus up to 270 days interest.

The City sold \$32,700 in Sales Tax Revenue Commercial Paper Notes in fiscal year 2001. As of September 30, 2002, \$20,800 of Commercial Paper notes are outstanding with interest rates on the notes between 1.200% and 3.450% and with various maturities ranging from 1 to 131 days. The aforementioned Commercial Paper Notes have been classified as long-term in accordance with the refinancing terms of the revolving credit agreement identified above.

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(amounts are expressed in thousands)

## 7. COMMERCIAL PAPER PROGRAMS AND OTHER BORROWINGS (Continued)

### A. Primary Government (City) (Continued)

#### Revolving Line of Credit

The City uses a revolving line of credit for the Housing Asset Recovery Program. The line of credit is used to preserve housing stock and to revitalize neighborhoods by renovating and rehabilitating property owned by the City that is acquired through various programs (i.e. flood buyouts, facilities expansion, etc.). The City intends to finance their repayment with the proceeds received from the sale of the renovated houses. The amount of the line of credit is \$1,250, of which \$331 was outstanding as of September 30, 2002.

Revolving Line of Credit			
Beginning Balance	Increases	Decreases	Ending Balance
\$ 0	\$ 331	\$ 0	\$ 331

### B. City Public Service (CPS)

#### Commercial Paper

In October 1988, the City Council adopted an ordinance authorizing the issuance of up to \$300,000 in Tax-Exempt Commercial Paper (TECP). This ordinance as amended provides for funding to assist in the financing of eligible projects, in an aggregate amount not to exceed \$450,000. Eligible projects include fuel acquisition and capital improvements to the utility systems (the Systems), and to refinance or refund any outstanding obligations which are secured by and payable from a lien on and/or a pledge of net revenues of the Systems. The program's scheduled maximum maturities will not extend beyond November 1, 2028.

The TECP has been classified as long-term in accordance with the refinancing terms under a revolving credit agreement with a consortium of banks, which supports the commercial paper. Under the terms of the agreement, CPS may borrow up to an aggregate amount not to exceed \$350,000 for the purpose of paying amounts due under the TECP. The credit agreement has a term of two years, currently extended until November 1, 2003, and may be renewed for additional periods.

To date, there have been no borrowings under the credit agreement. The TECP is secured by the net revenues of the Systems. Such pledge of net revenues is subordinate and inferior to the pledge securing payment of the New Series Bonds and any to be issued in the future.

CPS sold \$97,200 of TECP in fiscal year 2002 and \$118,000 in 2001, of which \$123,600 has been used to fund construction expenditures through January 2002. As of January 31, 2002, \$350,000 in principal amount was outstanding, with a weighted average interest rate of approximately 1.36% and an average life outstanding of approximately 80 days.

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(amounts are expressed in thousands)

## 7. COMMERCIAL PAPER PROGRAMS AND OTHER BORROWINGS (Continued)

### C. San Antonio Water System (SAWS)

#### Commercial Paper

On January 11, 2001, the City Council authorized SAWS to expand the tax-exempt short-term borrowing program (the "Commercial Paper Program") from \$175,000 to \$350,000. The purpose of the Commercial Paper Program is to provide funds for the interim financing for the increased level of future expenditures on water resource projects and scheduled maturities of the short-term borrowing under the Commercial Paper Program may not extend past May 14, 2032. The City has covenanted in the ordinance authorizing the Commercial Paper Program (the "Note Ordinance") to maintain at all times credit facilities with banks or other financial institutions which would provide available borrowing sufficient to pay the principal of the Commercial Paper Program. The credit facility is maintained under the terms of a revolving credit agreement.

To further support the Commercial Paper Program, on June 2, 2001, the City entered into agreements with the following:

- Dealer Agreements with Goldman, Sachs & Co., J.P. Morgan Securities Inc., and Ramirez & Co., Inc.
- Revolving Credit Agreement with Westdeutsche Landesbank Girozentrale and Landesbank Baden Wurttemberg.
- Issuing and Paying Agency Agreement with Bank One, National Association Chicago, Illinois.

The borrowings under the Commercial Paper Program are equally and ratably secured by and are payable from (i) proceeds from the sale of bonds or additional borrowing under the Commercial Paper Program and (ii) borrowing under and pursuant to the revolving Credit Agreement.

Commercial paper notes of \$185,000 are outstanding as of December 31, 2001. The proceeds of the notes have been used solely for the financing of capital improvements of SAWS. The tax-exempt commercial paper notes have been classified as long-term in accordance with the refinancing terms of the Credit Agreement and management's intention to continue the remarketing of the tax-exempt commercial paper notes to maintain a portion of its debt in variable rates. Interest rates on the notes outstanding at year-end range from 1.45% to 2.50% and from 34 to 153 days in maturity. The outstanding notes at December 31, 2001 had an average rate of 1.82% and averaged 85 days to maturity.

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(amounts are expressed in thousands)

## 8. PENSION AND RETIREMENT PLANS

### A. General Plan Information

The City of San Antonio, SAWS and CPS participate in several contributory retirement plans. These are funded plans covering substantial full-time employees. Payroll and contribution information as of the year end for each entity is presented below:

Contributory Pension and Retirement Plans						
Entity	Title	Type of Plan	Covered Payroll	Employee Contribution	Employer Contribution	Total Contributions
City	Fire and Police Pension Fund	Single Employer Defined Benefit Plan	\$ 176,508	\$ 21,808	\$ 43,615	\$ 65,423
	Texas Municipal Retirement System (TMRS)	Non Traditional Defined Contribution Agent Plan	199,112	11,947	23,147	35,094
Component Units:						
SAWS	<sup>1</sup> Texas Municipal Retirement System (TMRS)	Non Traditional Defined Contribution Agent Plan	51,958	1,008	1,044	2,052
	<sup>2</sup> PMLIC Contract	Agent Multiple Employer Defined Benefit Plan	51,050		2,969	2,969
CPS	<sup>3</sup> CPS All Employees Plan	Single Employer Defined Benefit Plan	165,314	7,981	1,048	9,029
<sup>1</sup> Seven Months ended December 31, 2001						
<sup>2</sup> Plan year ended December 31, 2001						
<sup>3</sup> Fiscal year ended January 31, 2002						

<sup>1</sup> Seven Months ended December 31, 2001

<sup>2</sup> Plan year ended December 31, 2001

<sup>3</sup> Fiscal year ended January 31, 2002

(amounts are expressed in thousands)

## 8. PENSION AND RETIREMENT PLANS (Continued)

### B. Primary Government (City)

#### Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit retirement plan established in accordance with the laws of the State of Texas. The City provides retirement benefits for all eligible full-time Fire and Police employees through the Pension Fund. Employees who terminate having five to twenty years of service may apply to receive a refund of their original contribution. Employees retiring who have served and contributed for twenty years or more shall, upon application to the Board of Trustees of the Pension Fund, receive a retirement pension based on the average of the employee's total salary, excluding overtime pay, for the highest three years of pay of the last five years of service. The retirement annuity for employees retiring after September 30, 2001 is computed at the rate of 2.25% of this average for each of the first twenty years of service, plus 4.5% of the member's average total salary for each of the next seven years, plus three percent of the member's average total salary for each of the next three years of service, plus 0.5% of the member's average total salary for each of the next four years of service, with fractional years of service prorated based on full months served as a contributing member. In making the computation for a year, the year is considered to begin on the first day a contribution is made. A retirement annuity under this subsection may not exceed, as of the date of retirement, 87.5% of the member's average total salary.

An employee with twenty years and one month of actual service credit may at the time of retirement elect a Backward Deferred Retirement Option Plan (Back DROP). The Back DROP election results in a lump sum payment equal to the number of full months of service elected by an employee that does not exceed the lesser of the number of months of service credit the employee had in excess of twenty years or thirty-six months and a reduced annuity payment.

There is also a provision for a 13<sup>th</sup> and a 14<sup>th</sup> pension check. The Board may authorize the disbursement of a 13<sup>th</sup> monthly pension check if the yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five year period by at least 100 basis points. The Board may authorize a 14<sup>th</sup> monthly pension check if the yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five year period by at least 300 basis points. The 13<sup>th</sup> and 14<sup>th</sup> pension checks are paid to each retiree and beneficiary receiving a pension at the time of the disbursement and are in an amount equal to the pension check paid in the last month of the preceding fiscal year of the Pension Fund (retirees/beneficiaries with less than one year of benefits will receive a prorated check, and no check will be paid to members who retired after the end of the fiscal year).

If service is terminated by reason of death or disability, the employee's beneficiary or the employee shall be entitled to one-half of the average of the employee's total salary, excluding overtime pay, based on the same number of years of the member's pay as used to compute normal retirement benefits. If a member is killed in the line of duty, the member's surviving spouse and dependent children are entitled to a pension based upon actual base salary at time of death.

The Pension Fund issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to the Fire and Police Pension Fund of San Antonio, 311 Roosevelt, San Antonio, Texas 78210-2700 or by calling (210) 534-3262.

Contribution requirements of plan members and the City are established and may be amended by State statute. In the current year, the City contributed 24.64% of covered payroll and employees contributed 12.32% of covered payroll. The employer's required contribution of \$43,615 and the employee's required contribution of \$21,808 were made to the Pension Fund. (See summary of contribution information at Part A of this footnote).

(amounts are expressed in thousands)

## **8. PENSION AND RETIREMENT PLANS (Continued)**

### **B. Primary Government (City) (Continued)**

#### **Fire and Police Pension Plan (Continued)**

Effective October 1, 2001, in addition to the changes for credited service and the 14<sup>th</sup> check as mentioned above, other new provisions include allowing the surviving spouse of an active member to elect to receive benefits in the form of a lump-sum payment and reduced annuity, similar to a Back DROP election made by a retiring member, increasing the maximum benefit for surviving spouses and dependent children from a 26 to 27 year pension, and increasing cost-of-living increases for all retirees who retired between August 30, 1971 and October 1, 1991.

For the year ended September 30, 2002, the City's annual pension cost of \$43,615 for the Pension Fund was equal to the City's required and actual contributions. The annual required contribution was determined as part of the October 2001 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return, and (b) projected salary increase of 5.5% per year. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The Pension Fund's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at October 1, 2001 was 27.04 years.

#### **Texas Municipal Retirement System**

The City provides benefits for all eligible employees (excluding firefighters and police officers) through a nontraditional, joint contributory, hybrid defined benefit plan in the TMRS. The TMRS is a statewide agent multiple-employer public employee retirement system created by law in 1948 to provide retirement and disability benefits to city employees. It is the opinion of the TMRS management that the plans in TMRS are substantially defined benefit plans, but they have elected to provide additional voluntary disclosure to help foster a better understanding of some of the nontraditional characteristics of the plan.

TMRS issues a publicly available financial report that includes financial information related to participating municipalities. The report may be obtained by writing to the TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or calling (512) 476-7577.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percentage of the employee's accumulated contributions. In addition, the City may grant, as often as annually, another type of monetary credit referred to as an updated service credit. This is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average salary for the last three years. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the City-financed monetary credits with interest were used to purchase an annuity.

Members are eligible to retire upon attaining the normal retirement age of 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death and disability benefits. A member is vested after 5 years, but must leave accumulated contributions in the plan. If a member withdraws the contributions with interest, the member would not be entitled to the City-financed monetary credits, even if vested.

(amounts are expressed in thousands)



## 8. PENSION AND RETIREMENT PLANS (Continued)

### B. Primary Government (City) (Continued)

#### Texas Municipal Retirement System (Continued)

The plan provisions and contribution requirements are adopted by the governing body of the City within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contribution requirements are actuarially determined by TMRS's actuary (See summary of TMRS Actuarial Assumptions and Methods in Part F of this footnote). The contribution rate for the City's employees is 6% and the matching percent is currently 11.63%, both as adopted by the governing body of the City. (See summary of contribution information in Part A of this footnote). Under the state law governing TMRS, the Employer's Contribution rates are annually determined by the actuary. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time the employee's retirement becomes effective. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's twenty-five year amortization period. When the City periodically adopts updated service credits and increases annuities in effect, the increased unfunded actuarial liability is being amortized over a new twenty-five year period. Currently, the unfunded actuarial liability is being amortized over a constant twenty-five year period as a level percent of payroll. Contributions are made monthly by both the employees and the City. All current year required contributions of the employees and the City were made to TMRS. Due to the fact that the City requires the contribution rates in advance for budget purposes, there is a one year lag between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect.

### C. San Antonio Water System (SAWS)

SAWS' retirement program includes benefits provided by the Texas Municipal Retirement System, a contract with Principal Mutual Life Insurance Company, and Social Security.

Covered employees are eligible to retire upon attaining the normal retirement age of 65. An employee may elect early retirement, with reduced benefits, upon attainment of:

1. 20 Years of credited service regardless of age, or
2. 25 Years of credited service and at least age 50, or
3. 10 Years of credited service and at least age 60.

The normal retirement benefit is based upon two factors, average compensation and years of credited service. Average Compensation is defined as the monthly average of total compensation received for the three consecutive years ending December 31, out of the latest ten compensation years prior to normal retirement date which gives the highest average.

The normal retirement benefit under the Principal Mutual contract is equal to:

1. 1.2% of the Average Compensation, times years of credited service not in excess of 25 years, plus
2. 0.75% of the Average Compensation, times years of credited service in excess of 25 years but not in excess of 35 years, plus
3. 0.375% of the Average Compensation, times years of credited service in excess of 35 years.

(amounts are expressed in thousands)

## 8. PENSION AND RETIREMENT PLANS (Continued)

### C. San Antonio Water System (SAWS) (Continued)

Upon retirement, an employee must select from one of seven alternative payment plans. Each payment plan provides for monthly payments as long as the retired employee lives. The options available address how plan benefits are to be distributed to the designated beneficiary of the retired employee. The program also provides death and disability benefits. The following information related to the Texas Municipal Retirement System and Principal Mutual Life Insurance has been prepared as of January 1, 2001.

#### Texas Municipal Retirement System

SAWS provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, defined benefit plan in the Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The TMRS was established in 1948 as a retirement and disability pension system for municipal employees in the State of Texas, and is administered in accordance with the Texas Municipal Retirement System Act. It is the opinion of the TMRS management that the plans in the TMRS are substantially defined benefit plans, but they have elected to provide additional voluntary disclosure to help foster a better understanding of some of the nontraditional characteristics of the plan.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the SAWS-financed monetary credits, with interest. At the date the plan began, SAWS granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, 200%) of the employee's accumulated contributions. In addition, SAWS may grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and SAWS matching percent had always been in existence and if the employee's salary had always been the average salary for the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages of 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions and contribution requirements are adopted by SAWS within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contribution requirements are actuarially determined by TMRS's Actuary (See Summary of TMRS's Actuarial Assumptions and Methods in Part F of this footnote). The contribution rate for the employees is 3% of salary, and SAWS matching rate approximates 100% of the employee rate, both as adopted by the SAWS. Under the state law governing TMRS, SAWS' contribution rate is annually determined by the actuary. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to SAWS' matching percent, which are the obligation of SAWS as of an employee's retirement date not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of SAWS to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period.

(amounts are expressed in thousands)

## 8. PENSION AND RETIREMENT PLANS (Continued)

### C. San Antonio Water System (SAWS) (Continued)

#### Texas Municipal Retirement System (Continued)

When SAWS' periodically adopts updated service credits and increases the annuities in effect, the increased unfunded actuarial liability is to be amortized over a new twenty-five year period. Currently, the unfunded actuarial liability is to be amortized over the twenty-five year period, which began January 1, 1998. The unit credit actuarial cost method is used for determining SAWS contribution rate.

Contributions are made monthly by both the employees and SAWS. Since SAWS needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. Significant assumptions used in the actuarial valuation of annual required contributions include a rate of return on the investment of present and future assets of 8.0% per year. Additionally, there is no need to project salary increases since the benefit credits earned for service to date are not dependent on future salaries. Likewise, inflation and cost-of-living adjustments are not accounted for in the actuarial study. Assets are valued at amortized cost.

#### Principal Mutual Life Insurance Company

The contract with Principal Mutual Life Insurance Company (PMLIC) serves as a supplement to the TMRS and Social Security benefits. SAWS' covered payroll at January 1, 2001 under this contract was \$51,050.

SAWS provides supplemental pension benefits for all persons customarily employed at least 20 hours per week and five months per year through this defined benefit plan. Employees are eligible to participate in the plan on January 1 of the calendar year following date of hire. An employee covered by the plan may vest a portion of the plan benefits if termination occurs after sufficient years of service have been credited. The plan allows an employee to accrue vesting benefits as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

An employee is automatically 100% vested upon attainment of age 65 or upon becoming totally and permanently disabled.

Benefits for retired employees are fully guaranteed at retirement. The pension plans unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuities or pay administrative expenses charged by Principal Life Insurance Co. The plan provisions and contribution requirements are governed by SAWS which may amend plan provisions and is responsible for the management of plan assets.

Significant assumptions used by PMLIC's actuary to compute the actuarially determined contribution requirements include: (a) a rate of return on the investment of present and future assets of 8.5% per year, (b) salary scale from Table S-5 of the Actuary's Pension Handbook, plus 3.4%, and (c) plan expenses according to the expense scales of the Service Agreements.

(amounts are expressed in thousands)

## **8. PENSION AND RETIREMENT PLANS (Continued)**

### **C. San Antonio Water System (SAWS) (Continued)**

#### **Principal Mutual Life Insurance Company (Continued)**

The PMLIC contract funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when due. The actuarial cost method is known as the Entry Age Normal-Frozen Initial Liability Method. This method spreads the total cost of the projected pension benefits for each employee evenly from the date the employee is first eligible for the plan to the employee's assumed retirement date. As plan benefits are related to compensation, the cost is spread as a level percentage of compensation. The total of annual amounts for all employees combined is called the Normal Cost. The employee's Entry Age is determined as if the plan had always been in existence. Thus, as of the plan effective date, there are some accumulated Normal Costs for past years that have not been paid. The value of these costs is called the Frozen Initial Liability.

In subsequent years the Frozen Initial Liability is reduced by employer deposits to the plan in excess of employer Normal Cost and interest requirements. This reduced amount is known as the Unfunded Frozen Initial Liability. Contribution requirements are established and may be amended by the System. Active members are not required to contribute to the plan. Any obligation with respect to the pension plan shall be paid by the System. The actuarial valuation, which was performed for the plan year, ended December 31, 2001 reflects an unfunded frozen initial liability of \$8,884.

The PMLIC issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Principal Life Insurance Company, Pension Diversified Retirement Services, Des Moines, Iowa 50392-0001 or by calling (515) 247-5111.

### **D. City Public Service (CPS)**

#### **All Employee Plan**

The CPS Pension Plan is a self-administered, single-employer, defined-benefit contributory pension plan (Plan) covering substantially all employees who have completed one year of service. Normal retirement is age 65; however, early retirement is available with 25 years of benefit service and to those employees who are ages 55 or older with at least 10 years of benefit service. Retirement benefits are based on length of service and compensation, and benefits are reduced for retirement before age 55 with 25 years or more of benefit service, or age 62 with less than 25 years of service.

The Plan and contribution requirements are sponsored by and may be amended by CPS, acting by and through the General Manager and Chief Executive Officer of CPS. The Plan assets are held in a separate trust that is periodically audited and which financial statements include historical trend information. Additional information may be obtained by writing the Employee Benefits Division of CPS, P.O. Box 1771, San Antonio, Texas 78296 or by calling (210) 978-2484.

Funding levels are established through annual actuarial evaluations and recommendations of an Administrative/Investment Committee, using both employee and employer contributions. Participating employees contribute 5% of their total compensation and are fully vested after completing 7 years of credited service or at age 40. The balance of contributions made amounted to 0.6% and is the responsibility of CPS, considering actuarial information, budgetary compliance, and the need to amend the Plan with legal requirements. (See Summary of Contribution Information at Part A of this footnote).

## 8. PENSION AND RETIREMENT PLANS (Continued)

### D. City Public Service (CPS) (Continued)

#### All Employee Plan (Continued)

As calculated under GASB Statement No. 27, CPS' annual pension cost and net pension obligation for the fiscal year ended January 31, 2002 were \$654 and \$0 respectively. The annual required contribution was determined as part of the January 1, 2001 actuarial valuation using (a) the five-year smoothed market method for asset valuation, (b) the projected unit credit for pension cost, and (c) the level dollar open for amortization. The remaining amortization period is 9.89 years and is calculated using the level dollar open amortization method.

Significant actuarial assumptions used for the January 1, 2001 actuarial valuation include (a) a rate of return on the investment of present and future assets of 8.5 % per year compounded annually, (b) projected salary increases averaging 5.0 %, and (c) post-retirement cost-of-living increases of 2.0 %. The projected salary increases include an inflation rate of 4.0 %.

### E. Three Year Trend Information

Trend information compares the annual required contribution to annual pension cost and the resultant net pension obligation as required by GASB Statement No. 27.

Three Year Trend Information										
Pension Plan	Fiscal Year	Annual Required Contribution (ARC)	Interest on Net Pension Obligation (NPO)	Adjustment To ARC	Annual Pension Cost (APC)	Contributions In relation to ARC	Increase (Decrease) in NPO	Net Pension Obligation at Beginning of Year	Net Pension Obligation at End Of Year	Percentage of APC Contributed
Fire and Police Pension-City of San Antonio	2000	\$ 40,238	\$ 0	\$ 0	\$ 40,238	\$ 0	\$ 0	\$ 0	\$ 0	100%
	2001	42,065			42,065					100%
	2002	43,615			43,615					100%
TMRS-City of San Antonio	2000	19,352			19,352					100%
	2001	21,610			21,610					100%
	2002	23,147			23,147					100%
CPS All Employee Plan <sup>1</sup>	2000	12,288	42	(490)	11,840	(12,231)	(391)	490	99	103%
	2001	5,397	8	(13)	5,392	(5,392)		99	99	100%
	2002	660	8	(14)	654	(753)	(99)	99		115%
TMRS-SAWS <sup>2</sup>	1999	1,576			1,576					100%
	2000	1,593			1,593					100%
	2001	1,044			1,044					100%
PMLIC-SAWS <sup>3</sup>	1999	4,753			4,753					100%
	2000	2,770			2,770					100%
	2001	2,969			2,969					100%

<sup>1</sup> Fiscal year ended January 31, 2002  
<sup>2</sup> Seven months ended December 31, 2001  
<sup>3</sup> Plan year ended December 31, 2001

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(amounts are expressed in thousands)

## 8. PENSION AND RETIREMENT PLANS (Continued)

### F. Significant TMRS Actuarial Assumptions and Methods

Significant assumptions used in the actuarial valuation by the Texas Municipal Retirement System's (TMRS) actuary are provided in the table below for both the City and SAWS:

TMRS Actuarial Assumptions and Methods	
Investment Return	8%
Inflation Rate	None
Projected Salary Increases	None
Post Retirement Benefit Increases	None
Actuarial Cost Method	Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Amortized Cost

### Location of Schedules of Funding Progress

The Schedule of Funding Progress is located in the “Required Supplementary Information” section of this report. The schedules are designed to provide information about each entity's progress in accumulating sufficient assets to pay benefits due.

## 9. POSTEMPLOYMENT RETIREMENT BENEFITS

### A. Primary Government (City)

In addition to the pension benefits discussed in Note 8, the City provides all their retired employees with certain health benefits under two post-employment benefit programs. The first program is a health insurance plan, which provides benefits for all non-uniformed City retirees and for all, pre-October 1, 1989, uniformed (fire and police) retirees. Currently, there are 6,650 active civilian employees who may become eligible in the future. Employees become eligible for the program when they reach eligibility for the TMRS Pension Plan, discussed in Note 8. At September 30, 2002, there were 1,405 retirees participating in the program which covers eligible expenses at eighty percent after a deductible of \$200 (single)/\$400 (family) for non-Medicare and \$125/\$250 for Medicare retirees. The cost of the program is reviewed annually, and actuarially determined costs of medical claims are funded jointly by the City and retirees on a pay-as-you-go basis shared on a 67% City - 33% retiree cost allocation. Please note that the number of employees, retirees, and deductible amounts in this paragraph are not expressed in thousands. For retirees, total expenses for the year were \$5,704. For the year ended September 30, 2002, total contributions were as follows:

City	\$ 3,305
Employees	1,750
TOTAL	<u>\$ 5,055</u>

The second post-employment benefit program of the City provides retirement health care benefits for eligible Fire and Police retirees under the Fire and Police Retiree Healthcare Fund (“Fund”). The Fund was originally established as a fund of the City pursuant to the respective Fire and Police collective bargaining agreements to provide postemployment health benefits for San Antonio Fire Fighters and Police Officers who retired on or after October 1, 1989. Effective October 1, 1997, the Fund was created as a separate and distinct statutory trust. The Fund is governed by a nine member Board of Trustees comprised of the Mayor, two City Councilmembers, two active police officers, two active fire fighters, a retiree representative of the Fire Department, and a retiree representative of the Police Department. The Board of Trustees is responsible for the investment of the assets of the Fund. Contribution and benefit levels are determined by the respective collective bargaining agreements with the Fire and Police Associations.

(amounts are expressed in thousands)

## 9. POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)

### A. Primary Government (City) (Continued)

The benefits of this plan are financed on a prefunded basis. The City currently makes contributions on behalf of 3,363 active Fire Fighters and Police Officers who may be eligible for benefits under this plan in the future. The benefits of the plan are not available until the employee has completed twenty years of service and the plan is currently providing benefits to 872 eligible retirees. The Program reimburses 80 percent of the amount of eligible claims for standard medical costs and 100 percent for hospitalization costs incurred by the retiree and their eligible dependents. Based on the Police contract, the City contributed 9.4% of base pay plus longevity of all eligible police officers and each police officer contributed \$20 per month. Based on the Fire contract, the City contributed 9.4% of base pay plus longevity and fire fighters contributed \$20 per month, during the period from January 2001 to May 2002. Beginning in June 2002, the City contributed 8.92% of base pay plus longevity and active fire fighters contributed \$40 per month. Please note the number of firefighters and police officers, retirees, and monthly contribution rates in this section are not expressed in thousands. For the year ended September 30, 2002, total expenses for retired employees was \$7,007 and total contributions were as follows:

City	\$ 15,354
Employees and Retiree Dependent Premiums	<u>1,222</u>
TOTAL	<u>\$ 16,576</u>

Historically, actuarial valuations have been performed periodically to determine the actuarial position of the Fund and whether the existing financing of the Fund can be reasonably expected to be adequate over a long period of time. The Board of Trustees had an actuarial valuation performed as of July 1, 2000 and the results of that study indicated that based on employer contributions of 9.4% of covered payroll (base pay plus longevity) plus the employee monthly contributions of \$20, the unfunded liability of the Fund could be amortized over a 25 year period. Subsequently, the Board of Trustees engaged another actuarial firm to perform an actuarial valuation of the Fund as of October 1, 2001. The actuarial report was issued on May 20, 2002 and the results of this report indicated that the employer and employee contributions mentioned previously were not sufficient to amortize the unfunded liability. Additionally, the study recommended a contribution rate of 13.94% of covered payroll plus the employee monthly contributions of \$20 to amortize the unfunded liability of the Fund over a 40 year period. Based on this rate, the total contribution to the Fund would be required to increase from an estimated \$17,200 to \$25,100, an increase of \$7,900 beginning October 1, 2002.

Since then, the Board of Trustees has had another actuarial valuation of the Fund initiated with a valuation date of October 1, 2002. The results of the draft study reflect a recommended contribution rate of 19.52% of covered payroll in addition to employee contributions of \$70 monthly. This would result in an increase in the total annual contribution to the Fund of an estimated \$20,000 beginning October 1, 2003. The actuary also indicated in their report that a phase-in of increased contributions over a period of time such as ten years would be actuarially acceptable. The recommended funding increase shown in both the 2002 and 2003 studies is primarily attributable to the actuarial assumptions for current benefit health claims costs and future increases in health benefit claims costs.

While the results of both the 2002 and 2003 studies reflect significant changes in contribution levels, the actuarial reports also state that the Fund does not have a short term financing problem. As of September 30, 2002, net assets available for postemployment benefits were \$83,600 while benefits payments for the fiscal year ended September 30, 2002 were \$7,000. As noted above, contribution and benefit levels are established pursuant to the collective bargaining agreements. The current agreement with the Fire Association will expire September 30, 2005 and has an evergreen clause through September 30, 2015. This agreement was negotiated prior to the issuance of the actuarial valuation as of October 1, 2001, however, the agreement does contain a limited reopener related to contributions to the Fund. The City's current agreement with the Police Association expired on September 30, 2002 but has an evergreen clause through September 30, 2012. The City and Police Officers Association have been in negotiations, however, have been unable to reach terms for a final agreement.

(amounts are expressed in thousands)

## 9. POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)

### A. Primary Government (City) (Continued)

The City anticipates it will resume negotiations with the Police Officers Association in June 2003 and will seek to include a comprehensive framework for a long-term solution for the Fund. Additionally, due to the differences in the results of the studies from July 2000 to October 2002, the City in conjunction with both the Fire and Police Associations anticipate having an independent review and valuation performed of the Fund by another actuarial firm.

### B. City Public Service (CPS)

CPS provides certain health care and life insurance benefits for retired employees. Most former CPS employees are eligible for these benefits upon retirement from CPS. Plan assets are held as part of CPS' Group Health and Life Insurance Plans and funding is from both participant and employer contributions determined by annual actuarial and in-house calculations. Retired employees contribute to the health plan in varying amounts depending upon an equity formula that considers age and years of service. The Plans may be amended by CPS. The annual cost of retiree health care and life insurance benefits funded by CPS is recognized as an expense of CPS as employer contributions are made to the programs.

These costs approximated \$3,400 for 2002. CPS reimbursed certain retirees and their spouses enrolled in Medicare Part B a percentage of the monthly premium, which totaled \$207 for fiscal year 2002.

Retired employees and covered dependents contributed \$1,300 for their health care and life insurance benefits in fiscal year 2002. There were approximately 2,098 retirees and covered dependents eligible for health care and life insurance benefits. Please note the number of retirees is not stated in thousands.

In view of the potential economic significance of these benefits, CPS has reviewed the present value of the postemployment benefit obligations for current retirees. The January 1, 2001 valuations are \$62,500 for health and \$16,900 for life insurance benefits. The actuarial analysis of the present value of postemployment benefit obligations for other participants fully eligible for benefits are estimated to be \$44,500 for health, \$4,900 for life insurance, and \$2,500 for disability benefits. CPS began partial accrual and funding of projected future benefits in 1992. Funding totaled \$6,500 in 2002. For the health care plan, the actuarial cost method used is the Projected Unit Credit Actuarial Cost Method. For the life insurance and disability plans, CPS uses a present value method to determine the cost of benefits.

Significant actuarial assumptions used in the calculations for the January 1, 2001 actuarial valuations include (a) a rate of return on the investment of present and future assets of 8.5% per year for the health, life, and disability plans, (b) projected salary increases for the plans ranging from 4.5% to 12.0% depending on age for base and other salaries, and (c) medical cost increases projected at 8% for 2002.

### C. San Antonio Water System (SAWS)

SAWS provides certain health care and life insurance benefits for retired employees. Substantially all full-time employees who retire from SAWS may become eligible for those benefits. On December 31, 2001, there were 368 retirees with life insurance and 316 retirees with medical coverage. Please note the numbers of retirees are not stated in thousands.

SAWS provides medical and life insurance for retirees and recognizes the cost of providing these benefits on a pay-as-you-go basis by expensing the annual insurance. For the seven months ending December 31, 2001, premiums for medical insurance and life insurance amounted to \$1,573 and \$29, respectively. Those and similar benefits for active employees are provided through insurance companies.

(amounts are expressed in thousands)



## 10. CPS SOUTH TEXAS PROJECT (STP)

### Joint Operations

CPS is one of four participants in the STP, which consists of two 1,250-megawatt nuclear generating units in Matagorda County, Texas. The other participants in the project are Reliant Energy, formerly known as HL&P, Central Power and Light Company (CPL), and the City of Austin. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2. CPS' 28% ownership in the STP represents 700 megawatts of plant capacity. At January 31, 2002, CPS' investment in the STP utility plant was approximately \$1,700,000, net of accumulated depreciation.

Effective November 17, 1997, the Participation Agreement among the owners of STP was Amended and Restated and the STP Nuclear Operating Company, a Texas non-profit non-member corporation created by the participants, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STP Nuclear Operating Company.

### Nuclear Insurance

The Price-Anderson Act, a comprehensive statutory arrangement providing limitations on nuclear liability and governmental indemnities, was in effect until August 1, 2002. The limit of liability for licensees of nuclear power plants is \$9,340,000 per incident. The maximum amount that each licensee may be assessed following a nuclear incident at any insured facility is \$83,900 (amount may be adjusted for inflation) for each licensed reactor, but not more than \$10,000 per reactor for each nuclear incident in any one year. CPS and each of the other participants of STP are subject to such assessments, and all participants have agreed that any such assessments will be borne on the basis of their respective ownership interests in STP. For purposes of these assessments, STP has two licensed reactors. The participants have purchased the maximum limits of nuclear liability insurance, as required by law, and have executed indemnification agreements with the NRC, in accordance with the financial protection requirements of the Price-Anderson Act.

A Master Worker Nuclear Liability policy, with a maximum limit of \$400,000 for the nuclear industry as a whole, provides protection from nuclear-related claims.

NRC regulations require licensees of nuclear power plants to obtain on-site property damage insurance in a minimum amount of \$1,060,000. NRC regulations also require that the proceeds from this insurance be used first to ensure that the licensed reactor is in a safe and stable condition so as to prevent any significant risk to the public health or safety, and then to complete any decontamination operations that may be ordered by the NRC. Any funds remaining would then be available for covering direct losses to property.

The owners of STP currently maintain on-site property damage insurance in the amount of \$2,750,000 of nuclear property insurance, which is above the legally required amount of \$1,060,000, but is less than the total amount available for such losses. The \$2,750,000 of nuclear property insurance is composed of \$500,000 for primary property damage insurance and a layer of excess property damage insurance that would contribute \$2,250,000 of additional coverage that is subject to a retrospective assessment from each electric utility which is a member of Nuclear Electric Insurance Limited (NEIL). In the event that property losses as a result of an accident at the nuclear plant of any utility insured by NEIL exceed the accumulated funds available to NEIL, a retrospective assessment could occur. The maximum aggregate assessment under current policies for both primary and excess property damage insurance is \$24,800 during any one policy year.

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(amounts are expressed in thousands)

## 10. CPS SOUTH TEXAS PROJECT (STP) (Continued)

### Nuclear Decommissioning

CPS, together with the owners of the STP, filed with the NRC a certificate of financial assurance for the decommissioning of the nuclear power plant. The certificate assures that CPS will meet the minimum decommissioning funding requirements mandated by the NRC. The STP owners agreed in the financial assurance plan that this cost estimate would be reviewed and updated periodically as it could change by a material amount. In 1994, the owners did conduct a review of decommissioning costs. The results showed that CPS' share of decommissioning costs is now approximately \$270,000 in 1994 dollars, which also exceeded NRC minimum requirements. In 1999, the owners conducted an additional review of decommissioning, and results showed that CPS' share of decommissioning costs are now approximately \$311,000 in 1998 dollars.

In 1991, CPS started accumulating the decommissioning funds in an external trust, in accordance with the NRC's regulations. The Decommissioning Trust Assets and related liabilities are included in CPS' financial statements as a component unit. At January 31, 2002, CPS has accumulated approximately \$145,900 of funds in the external trust. Based on the annual calculation of financial assurance required by the NRC, CPS' trust balance exceeded the calculated financial assurance amounts of \$61,400 at December 31, 2001. Based upon the 1998 and 1994 decommissioning cost study, the annual levelized funding into the trust of \$15,900 for 2002 was expensed by CPS.

## 11. COMMITMENTS AND CONTINGENCIES

### A. Primary Government (City)

#### Grants

The City has received significant financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a materially adverse effect on the City's financial position at September 30, 2002. Grants awarded by federal, state and other governmental agencies but not yet earned nor received in cash as of September 30, 2002 were \$155,457.

#### Capital Improvement Program

The City will be undertaking various capital improvements to its airport system during fiscal year 2003. The estimated cost of these improvements is \$82,287. Approximately \$32,989 of the total will be funded by federal grants.

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(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES (Continued)

### A. Primary Government (City) (Continued)

#### Litigation

The City is involved in various lawsuits related to alleged personal and property damages, wrongful death, breach of contract, various claims from contractors for additional amounts under construction contracts, property tax assessments, environmental matters, class action and promotional practices, and discrimination cases. The Office of the City Attorney estimates the probable liability for these suits will approximate \$10,500 which is included as a component of the reserve for claims liability in the amount of \$16,179. The estimated liability, including an estimate of incurred but not reported claims, is recorded in the Insurance Reserve Fund. The City makes significant estimates in determining the amounts of unsettled claims under its self-insurance program and believes that the self-insurance reserves recorded in the Self-Insurance Funds are adequate to cover losses for which the City may be liable. It is not determinable whether additional claims or revisions to estimates required for settlement on existing claims could have a material effect on the government-wide financial statements.

*Charles and Tracy Pollock, Individually and as next friend of Sarah Jane Pollock, a minor child v. City of San Antonio.* This is a nuisance case alleging that benzene gas emitted from the West Avenue Landfill caused chromosomal damage to a fetus during the period of gestation, resulting in Plaintiff's contracting acute lymphoblastic leukemia. Although the trial court has entered against the City a judgment of approximately \$20,000, the City believes that \$19,980 of such sum (\$10,000 in exemplary damages and \$9,980 in personal injury damages) is not recoverable by the Plaintiff under a nuisance theory. Even if recoverable, the City believes that damages are capped at \$250 under the Texas Tort Claims Act. The City is appealing the judgment.

#### Arbitrage

The City has issued certain tax-exempt obligations that are subject to Internal Revenue Service (IRS) arbitrage regulations. Non-compliance with these regulations, which pertain to the utilization and investment of proceeds, can result in penalties including the loss of the tax-exempt status of the applicable obligations retroactive to the date of original issuance. In addition, the IRS requires that interest income earned on proceeds in excess of the arbitrage rate on applicable obligations be rebated to the federal government. The City monitors its bond proceeds in relation to arbitrage regulations, and "arbitrage rebate" is estimated and recorded in the government-wide and proprietary financial statements when susceptible to accrual and in the governmental fund type when matured.

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(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES (Continued)

### A. Primary Government (City) (Continued)

#### Leases

The City leases City-owned property to others which consists of buildings, real property, and parking spaces. Costs of specific leased components are not readily determinable. Total rental revenue on operating leases for fiscal year ended September 30, 2002 was \$3.9 million. As of September 30, 2002, the leases provide for the following future minimum rentals:

Leases Receivable					
	Governmental				
	Activities	Aviation	Parking	Total	
Fiscal year ending September 30:					
2003	\$ 1,950	\$ 15,106	\$ 167	\$ 17,223	
2004	1,897	14,275	133	16,305	
2005	1,653	14,046	42	15,741	
2006	1,428	13,260		14,688	
2007	889	1,866		2,755	
2008-2012	2,824	6,496		9,320	
2013-2017	2,616	4,332		6,948	
2018-2022	1,721	886		2,607	
2023-2027	750	326		1,076	
2028-2032	750	27		777	
2033-2037	525			525	
2038-2042	467			467	
Future Minimum Lease Rentals	<u>\$ 17,470</u>	<u>\$ 70,620</u>	<u>\$ 342</u>	<u>\$ 88,432</u>	

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(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES (Continued)

### A. Primary Government (City) (Continued)

#### Landfill Postclosure Care Costs

In October 1993, the City Council approved closure of the Nelson Gardens Landfill which immediately stopped accepting solid waste. Subsequent to landfill closure, Federal and State laws required the City to incur certain postclosure care costs over a period of thirty years. As of September 30, 1994, the City estimated these costs for postclosure of the Nelson Gardens Landfill at \$3,800. The estimate was based on estimated costs for installation of a leachate and groundwater collection system, installation of a methane recovery system, geotechnical and environmental engineering services, and monitoring and maintaining the facility for a thirty year period. In accordance with GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", the estimated postclosure cost of \$3,800 for the Nelson Gardens Landfill was recorded as a liability and expensed in the Environmental Services Fund in fiscal year 1994. This cost is an estimate and is subject to changes resulting from inflation/deflation, advances in technology, or changes in applicable laws or regulations.

Each fiscal year, the City performs an annual re-evaluation of the postclosure care costs associated with the Nelson Gardens Landfill. The annual re-evaluation conducted for the fiscal year ended September 30, 2002 resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of \$1,083. This represents a reduction of \$41 from the prior fiscal year for expenditures incurred for geotechnical and environmental engineering services.

#### TCEQ Financial Assurance

The City is required under the provision of the Texas Administrative Code to provide financial assurance to the Texas Commission on Environmental Quality (TCEQ), formerly known as the Texas Natural Resource Conservation Commission (TNRCC), related to the closure of municipal solid waste operations including, but not limited to, storage, collection, handling, transportation, processing, and disposal of municipal solid waste. As such, financial assurance is required to ensure that funds are available, when needed, to meet costs associated with the closure of the City's North East Transfer Station. Additionally, financial assurance is required to demonstrate financial responsibility for underground storage petroleum facilities. As of September 30, 2001, the permit for the North East Transfer Station has been transferred from the City and the new permittee has provided adequate financial assurance for this facility. Based on the number of underground petroleum storage tanks, the City is required to provide \$1,000 of financial assurance related to the underground storage facilities.

#### Brooks City-Base – Electric and Gas Utilities

The Brooks City-Base Project is a collaborative effort between the U.S. Air Force (the "Air Force") and the City designed to retain the Air Force missions and jobs at Brooks Air Force Base, improve mission effectiveness, assist in reducing operating costs, and promote and enhance economic development at Brooks. On July 22<sup>nd</sup>, the land and improvements were transferred to the Brooks Development Authority (BDA) for the purpose of creating the Brooks Technology & Business Park, a facility which will foster the development of key targeted industries. The Air Force is currently the Park's anchor tenant and is leasing back facilities to perform its missions.

As part of the conveyance, the electric and gas utilities were transferred to City Public Service (CPS), the City's utility. The electric and gas utility systems' infrastructure at Brooks are deficient and require extensive upgrades and improvements. Pursuant to the transfer, the Air Force, BDA, and CPS have committed to make certain improvements and upgrades to the electric and gas utility over a 20 year period. Funding for these improvements include \$3,400 from the Air Force and \$6,300 from BDA and CPS each, respectively for a total of \$16,000.

(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES (Continued)

### A. Primary Government (City) (Continued)

#### Brooks City-Base – Electric and Gas Utilities (Continued)

With respect to BDA's obligation of \$6,300, the City has agreed, under certain circumstances and if necessary, to assist BDA in funding its obligation. The City has agreed to contribute to BDA on an annual basis an amount equivalent to the incremental increase in the City's payment from CPS derived from Brooks. The City, as the owner of CPS, receives 14% of CPS' gross revenues and this amount represents additional resources available to the City as a result of its increased payment from CPS derived at Brooks. The first payment, if necessary, is due in January 2004 is estimated at \$112. Over the 20 year period, the City's annual payments will not exceed \$3,400. In the event BDA has exhausted all of its available resources and has been unable to fulfill its obligation of \$6,300 by the end of the 20 year term, the City has agreed in good faith to utilize all of its funding options to enable BDA to satisfy its obligation.

#### Alamodome Soil Remediation

The City has taken an aggressive approach to dealing with environmental issues resulting from the construction of the Alamodome, a multi-purpose domed facility. It is working in conjunction with the Texas Commission on Environmental Quality (TCEQ) on the continued development and implementation of a remediation plan that addresses both on and off-site locations that may contain contaminated soil. As of September 30, 2002, the City has expended approximately \$13,402 related to Alamodome soil remediation efforts, inclusive of the supplemental environmental projects, and estimates the remaining cost for soil remediation to be approximately \$66. In January 1996, TCEQ issued its Executive Director's Preliminary Report assessing a penalty against the City and VIA Metropolitan Transit (VIA) along with certain technical recommendations for alleged violations in the handling of contaminated soils at the Alamodome site. On February 12, 1997, the City and TCEQ entered into an Agreed Order relating to enforcement actions taken by the Commission against the City and VIA which provided for a reduced penalty amount because of positive actions taken by the City to initiate corrective actions in advance of the Agreed Order.

Under the Agreed Order, the Commission would also defer the remaining portion of the reduced fine upon successful completion, by the City, of certain supplemental environmental projects in the total amount of \$628. The City, under separate agreement with VIA, would assume responsibility for the remediation of the remaining sites, with VIA contributing \$350 towards these efforts.

The City to date has completed the Supplemental Environmental Projects as identified in the Agreed Order and has received concurrence from the TCEQ that these projects were successfully completed. Additionally, nine of the ten sites that require remedial activity under the Agreed Order have been completed. The TCEQ has provided closure letters for all of these sites. Final remediation is scheduled for fiscal year 2003 for the remaining site.

### B. City Public Service (CPS)

#### Other

Purchase and construction commitments amounted to approximately \$2,600,000 at January 31, 2002. This amount includes approximately \$81,700 that is expected to be paid for natural gas purchases to be made under the contracts currently in effect through June 2002; the actual amount to be paid will be dependent upon CPS' actual requirements during the contract period and the price of gas. Commitments also include \$78,100 for pipeline quality gas to be produced from the City's "Nelson Gardens" landfill under the contract which is currently in effect through the year 2017. Also included is \$65,000 for coal purchases through December 2003, \$331,500 for coal transportation through

(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES (Continued)

### B. City Public Service (CPS) (Continued)

December 2014, and \$3,000 for treated cooling water through 2005, based upon the minimum firm commitment under these contracts.

CPS has also committed to purchase \$289,400 in wind power and \$40,000 in additional natural gas requirements; \$73,800 in railcars; \$31,900 for generation plant maintenance services; and \$44,600 million for distribution system construction and maintenance.

Additional purchase commitments at January 31, 2002, which are related to STP include approximately \$335,500 for raw uranium and associated fabrication and conversion services. This amount represents services that will be needed for future refueling through the year 2028.

The Public Utility Commission of Texas (PUC) has promulgated new rules designed to comply with legislative changes affecting the utility industry. The Transmission Pricing and Access Rule (Rule) mandates that electric utilities charge customers for wholesale open transmission access according to a formula based on the amount of load served by each utility. CPS' cost for calendar year 2001 were approximately \$5,600. The estimated cost for calendar year 2002 is approximately \$10,800. The decrease in amounts paid for calendar year 2001 is a result of CPS' success in updating the CPS transmission cost of service approved by the PUC. This new cost became effective in January 2001. In March 2000, CPS began recovering these costs from customers.

#### Joint Operations Agreement

A 1997 Joint Operations Agreement resulted from the litigation settlement with Reliant Energy, formerly known as Houston Lighting & Power, over its management of STP during the construction and early operating periods. The Joint Operating Agreement is an arrangement to jointly dispatch CPS' and Reliant's generating plants to take advantage of the most efficient plants and favorable fuel prices of each utility. CPS receives, in monthly cash payments, ninety percent of the savings realized from the jointly operated systems. This joint operation agreement must result in at least \$10,000 in cumulative savings per year to CPS, or Reliant will make up the difference in cash. A similar payment will be made by Reliant to ensure benefits to CPS of \$150,000 in savings during the ten-year life of this agreement. In April 2001, Reliant met the Joint Operations Agreement of \$150 million cumulative savings obligation.

In August 2001, the Joint Operations Agreement was extended until 2009. Under the extended agreement, CPS will receive the ninety percent of the combined savings achieved under the joint dispatching until the total benefit to CPS reaches \$200 million after which the benefit will be shared equally. As of January 31, 2002, CPS' total cumulative savings were \$190,300.

#### Litigation

Additionally, in the normal course of business, CPS is involved in other legal proceedings related to alleged personal and property damages, breach of contract, condemnation appeals and discrimination cases. Also, CPS power generation activities and other utility operations are subject to extensive state and federal environmental regulation. In the opinion of management of CPS, the outcome of such proceedings will not have a material adverse effect on the financial position or results of operations of CPS.

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(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES (Continued)

### C. San Antonio Water System (SAWS)

#### Other

SAWS is committed under various contracts for completion of construction or acquisition of utility plants totaling approximately \$93,800 as of December 31, 2001. Funding of this amount will come from available revenues of SAWS, contributions from developers, and restricted assets.

#### Litigation

SAWS is the subject of various claims and litigation which have risen in the ordinary course of its operations. Management, in consultation with legal counsel, is of the opinion that SAWS' liabilities in these cases, if decided adversely to SAWS, will not be material.

## 12. RISK FINANCING

### A. Primary Government (City)

#### Property and Casualty Liability

At September 30, 2002, the City has excess insurance coverage through North River Insurance Company for liability. The blanket policy provides general and auto liability along with police professional errors and omissions and EMS Medical Malpractice, and Civil Rights and Employee Benefits Liability Coverage. Allianz Insurance Company provides property coverage on the City's building and contents inventory. The City utilizes a third party administrator for the handling of administration, investigation, and adjustment of liability claims.

Obligations for claims under these programs are accrued in the City's Self-Insurance Reserve Internal Service Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported, and Departments are assessed premiums to cover expenditures. There were no significant reductions in insurance coverage. Claims settlements did not exceed insurance coverage for each of the past three years.

#### Employee Health Benefits

The City provides its current employees with a comprehensive employee benefit program including coverage for medical, dental and life insurance, vision, dependent care reimbursement accounts and additional life insurance for its employees and their dependents. The City's self-insured medical programs are provided to all City employees. Obligations for benefits are accrued in the City's Self-Insurance Employee Benefits Insurance Internal Service Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

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(amounts are expressed in thousands)



## 12. RISK FINANCING

### A. Primary Government (City) (Continued)

#### Workers' Compensation

The City self-insures for Workers' Compensation. The City is a member of the Texas Municipal League (TML) Workers' Compensation Joint Insurance Fund, an unincorporated association of political subdivisions of the State of Texas. The TML Workers' Compensation Joint Insurance Fund is not intended to operate as an insurance company, but rather is intended to be a contracting mechanism which the City as a member utilizes to administer self-insurance workers' compensation benefits to its employees for claims that occurred prior to September 30, 1986. The City also utilizes third party administrators for the handling of administration, investigation, and adjustment of workers' compensation claims that occurred after October 1, 1986. All loss contingencies, including claims incurred but not reported, if any, are recorded in the City's Self-Insurance Workers' Compensation Internal Service Fund and City departments are assessed premiums to cover expenditures. As of September 30, 2002, the City has excess workers' compensation coverage through the North River Insurance Company. Claims settlements did not exceed insurance coverage for each of the past three years.

#### Unemployment Compensation Program

The Unemployment Compensation Program of the Self-Insurance Internal Service Fund provides a central account for payment of unemployment compensation claims. As of the fiscal year end, claims were being administered internally by the City and are paid to the Texas Workforce Commission on a reimbursement basis. All costs incurred are recorded on a claim paid basis.

#### Extended Sick Leave Program

The Extended Sick Leave Program of the Self-Insurance Internal Service Fund is used to pay benefits associated with the City's employee long-term disability plan. Benefits are administered by the City. Actual costs are incurred when extended leave is taken.

#### Employee Wellness Program

The Self-Insurance Employee Wellness Program Internal Service Fund is used to account for revenues and operating expenses of the City Occupational Health Clinic operated by the San Antonio Metropolitan Health District. The clinic's operation is supported by transfers from the Workers' Compensation Fund and the Employee Health Benefits Fund as expenses are incurred. In fiscal year 1999, the Employee Assistance Program was established to offer City employees short term mental health, marital, and financial counseling, as well as substance abuse intake and assessment. The Program was funded by a transfer from the Workers' Compensation Fund.

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(amounts are expressed in thousands)

## 12. RISK FINANCING

### A. Primary Government (City) (Continued)

#### Claims Liability

The liability for the Employees Benefits Program is based on the estimated aggregate amount outstanding at the balance sheet date for unpaid benefits. Liabilities for the Insurance Reserve and Workers' Compensation Programs are reported when it is probable that a loss has occurred as of the balance sheet date and the amount of the loss can be reasonably estimated. These liabilities include allocable loss adjustment expenses, specific incremental claim adjustment expenses such as the cost of outside legal counsel, and a provision for claims which have been incurred but not reported (IBNR). Unallocated claim adjustment expenses have not been included in the calculation of the outstanding claims liability as management of the City feel it would not be practical or cost beneficial. In addition, based on the difficulty in determining a basis for estimating potential recoveries and the immateriality of prior amounts, no provision for subrogation or salvage has been included in the calculation of the claims liability. The claims liability reported in the accompanying financial statements for the Insurance Reserve and Workers' Compensation Programs is based on an undiscounted rate.

The following is a summary of changes in claims liability for the City's Insurance Reserve, Employee Benefits, and Workers' Compensation Programs for the year ended September 30, 2002.

Schedule of Changes In Claims Liability					
Fund	Liability October 1,	Change in Estimates	Claims & Adjustments	Claims Payments	Liability Balance September 30, <sup>1</sup>
<u>Insurance Reserve</u>					
Fiscal Year 2001	\$ 18,531		\$ 6,434	\$ 6,434	\$ 18,531
Fiscal Year 2002	18,531	(2,352)	6,285	(6,285)	16,179
<u>Employee Benefits</u>					
Fiscal Year 2001	\$ 3,415	600	\$ 33,638	\$ (33,638)	\$ 4,015
Fiscal Year 2002	4,015	1,351	38,980	(38,980)	5,366
<u>Workers' Compensation</u>					
Fiscal Year 2001	\$ 16,858	1,847	\$ 8,685	\$ (8,685)	\$ 18,705
Fiscal Year 2002	18,705	4,500	9,946	(9,946)	23,205
<sup>1</sup> The Workers' Compensation Liability Balance of \$23,205 is comprised of \$20,879 recorded in the Workers' Compensation Fund and the remaining liability of \$2,326 is recorded in Proprietary Funds.					

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(amounts are expressed in thousands)

**12. RISK FINANCING (Continued)****B. City Public Service (CPS)**

CPS is exposed to various risks of loss including those related to torts, theft or destruction of assets, errors and omissions, and natural disasters. CPS purchases commercial liability and property insurance coverages to provide protection in event of large/catastrophic claims. CPS performs actuarial studies periodically to determine its insurance retentions. An actuarial study was last performed in 2001.

In addition, CPS is exposed to risks of loss due to death of, and injuries to, or illness of, its employees. CPS makes payments to external trusts to cover the claims under the related plans. At January 31, 2002, CPS accumulated approximately \$131,700 in these external trusts. The trust accounts and related claims liabilities are included in CPS' financial statements. CPS has recorded \$25,500 of expense related to these plans for the year ended January 31, 2002.

Based upon the guidance of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the following information is provided regarding the changes in the insurance reserves for property, and employee and public liability claims for the years ended January 31:

<b>City Public Service</b> <b>Schedule of Changes In Claims Liability</b>				
Fund	Liability Balance February 1,	Claims & Adjustments	Claims Payments	Liability Balance January 31,
<u>Property Insurance</u>				
Fiscal Year 2001	10,158	406	(620)	9,944
Fiscal Year 2002	9,944	7	(1,327)	8,624
<u>Employee &amp; Public Liability Claims</u>				
Fiscal Year 2001	5,603	3,117	(2,880)	5,840
Fiscal Year 2002	5,840	2,056	(2,888)	5,008
<u>Employee Health &amp; Welfare Claims</u>				
Fiscal Year 2001	0	0	0	0
Fiscal Year 2002	0	28,022	(24,381)	3,641

The employee health and welfare plan assets are segregated from CPS's assets. They are separately managed by committee whose members are appointed by the CPS General Manager and CEO. These plans have separate financial statements for calendar year 2001. These separately audited financial statements are available upon request from CPS.

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(amounts are expressed in thousands)

## 12. RISK FINANCING (Continued)

### B. City Public Service (CPS) (Continued)

In 2002, CPS entered into two short-term natural gas forward contracts to purchase fixed quantities of natural gas at fixed prices for specific months through February 2002. CPS entered into this contract to help plan natural gas costs and to protect itself against an increase in the market price of the commodity during the winter months of 2002 and the early part of next year. At January 31, 2002, market natural gas prices were lower than the contractual prices. As a result, CPS may incur additional natural gas costs of approximately \$2,100 in February 2002 based on the fixed quantities remaining to be purchased. CPS will pass any additional costs through to its customers under the fuel and gas cost adjustment provisions of the rate tariffs.

Natural Gas Forward Contracts:	<u>2002</u>	<u>2001</u>
Volume Remaining in MMBtu	560,000	0
Fixed Price per MMBtu	\$4.55	0
Natural Gas Two Way Collar:		
Volume Remaining in MMBtu	420,000	0
Ceiling Price per MMBtu	\$7.00	0
Floor Price per MMBtu	\$4.14	0
Market Price at January 31	\$2.25	0

Subsequent to year end, the CPS Board of Trustees approved a policy for energy price risk management. The 1999 Texas utility deregulation legislation, Senate Bill 7, contained provisions modifying the Texas Public Funds Investment Act to allow municipal utilities the ability to purchase and sell energy related fuel oil, and electric energy. The policy approved by the Board requires that general operating procedures and guidelines as well as basic oversight and control structures be in place prior to implementation or operation next fiscal year.

### C. San Antonio Water System (SAWS)

#### Risk Management

SAWS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

SAWS is self administered and self-insured for the first \$500 of each worker's compensation and \$250 for general liability, automobile liability, public official's liability and \$100 for pollution legal liability (new coverage during Fiscal Year 2001) claim whereby any claim which cost exceeded the self-insured retention limit would be covered through SAWS' comprehensive commercial insurance program. For the seven months ended December 31, 2001, there were no reductions in insurance coverage from the previous year and there were no claims which exceeded the self-insured retention limit. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

SAWS had recorded a liability in the amount of \$1,729 as of December 31, 2001, which is reported as a current liability. The claims liability, including incurred but not reported claims, is based on the estimated ultimate cost of settling the claims. The claims liability includes medical and rehabilitation costs, which are considered incremental claim adjustment expenses. Changes in the liability amount for the last two fiscal years were:

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(amounts are expressed in thousands)

**12. RISK FINANCING (Continued)****C. San Antonio Water System (SAWS) (Continued)**

<b>San Antonio Water System Schedule of Changes In Claims Liability</b>					
<u>Year Ended</u>	<u>Balance at Beginning of Fiscal Year Liability</u>	<u>Claims &amp; Adjustments</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year Liability</u>	
May 31, 2000	\$ 3,652	\$ 714	\$ (1,503)	\$ 2,863	
May 31, 2001	\$ 2,863	\$ 913	\$ (1,602)	\$ 2,174	
Seven Months ended Dec. 31, 2001	\$ 2,174	\$ 824	\$ (1,269)	\$ 1,729	

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(amounts are expressed in thousands)

### 13. INTERFUND TRANSFERS

The following is a summary of interfund transfers for the City for the year ended September 30, 2002:

Summary Table of Interfund Transfers for the year ended September 30, 2002		
	Transfers From Other Funds	Transfers To Other Funds
General Fund:		
General Obligation Bonds	\$ 69	\$ 97
Airport System Fund	176	
Parking Facilities	166	350
Internal Service Funds	187	3,000
Nonmajor Governmental Funds	9,966	69,896
Nonmajor Enterprise Funds	634	
Total General Fund	<u>11,198</u>	<u>73,343</u>
Debt Service Funds:		
Nonmajor Governmental Funds	<u>22,834</u>	
Total Debt Service Funds	<u>22,834</u>	
General Obligation Bond Funds:		
General Fund	97	69
Nonmajor Governmental Funds	<u>3,062</u>	<u>219</u>
Total General Obligation Bond Funds	<u>3,159</u>	<u>288</u>
Airport System Fund:		
General Fund		176
Internal Service Funds		138
Nonmajor Governmental Funds		<u>974</u>
Total Airport System Fund		<u>1,288</u>
Parking Facilities Fund:		
General Fund	350	166
Internal Service Funds		35
Nonmajor Governmental Funds		<u>105</u>
Total Parking Facilities Fund	<u>350</u>	<u>306</u>
Internal Service Funds:		
General Fund	3,000	187
Airport System	138	
Parking System	35	
Internal Service Funds	1,030	1,030
Nonmajor Governmental Funds	743	4,125
Nonmajor Enterprise Funds	193	
Total Internal Service Funds	<u>5,139</u>	<u>5,342</u>
Nonmajor Governmental Funds:		
General Fund	69,896	9,966
Debt Service		22,834
General Obligation Bonds	219	3,062
Airport System	974	
Parking Facilities	105	
Internal Service Funds	4,125	743
Nonmajor Governmental Funds	51,308	51,308
Nonmajor Enterprise Funds	1	
Total Nonmajor Governmental Funds	<u>126,628</u>	<u>87,913</u>
Nonmajor Enterprise Funds:		
General Fund		634
Internal Service Funds		193
Nonmajor Governmental Funds		<u>1</u>
Total Nonmajor Enterprise Funds		<u>828</u>
Total	<u>\$ 169,308</u>	<u>\$ 169,308</u>

(amounts are expressed in thousands)

**13. INTERFUND TRANSFERS (Continued)**

Transfers are made to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds. These transfers are in the form of operating subsidies, grant matches and funding for capital projects. In addition, transfers are routinely made from other funds to fund debt service payments and for other restricted purposes. All transfers are in accordance with budgetary authorizations.

For the year ended September 30, 2002, the City made several significant one-time transfers. The Other Internal Services Fund made a \$4,125 one-time transfer to the Improvement Projects Fund to support the construction of a new automotive service center. In addition, the General Fund made a one-time transfer in the amount of \$650. This transfer was intended to provide initial funding for a new special revenue fund, the Brooks City-Base Fund. The Brooks City-Base Fund was created in order to consolidate all Brooks related funds for efficient internal control and monitoring.

Other significant transfers by the General Fund include \$615 set aside for the purchase of additional ladder trucks from fiscal year 2006 through fiscal year 2009. This is the second year that funds have been set aside for that purpose as the Master Plan recommended in fiscal year 2001 that \$615 in funds be set aside each year through fiscal year 2005. In addition, the General Fund continued its support to the Information Technology Services Fund for the GIS Program which will provide numerous computerized mapping applications in support of various departments. This year's transfer was in the amount of \$478.

The Enterprise Resource Management Fund was established in fiscal year 2001 to record all operating revenues and expenditures associated with the development and implementation of the new enterprise system. Funding is provided by transfers from the Improvement Projects Fund. This year's support totaled \$1,875.

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(amounts are expressed in thousands)

## 14. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the Government-wide Statement of Net Assets.

One element of this reconciliation states, “Some of the City’s revenues will be collected after year-end but are not available soon enough to pay for the current period’s expenditures and therefore are not reported in the governmental funds.” The detail of the \$31,435 is as follows:

Revenues previously reported as deferred in the fund financial statements	\$ 42,565
Receivable applicable to governmental activities, which are not available in the current period	565
Deferred revenues previously reported as income in the fund financial statements	<u>(11,695)</u>
Revenues collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are recognized in governmental funds	<u>\$ 31,435</u>

Another element of this reconciliation states, “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds”. The details for the decrease related to capital leases is as follows:

Total capital leases reported on the Government-wide Statement of Net Assets	\$ 8,297
Less: Short-term available portion reported in fund financial statements	<u>(705)</u>
Net adjustment to decrease fund balance-total governmental funds to arrive at net assets-governmental activities for capital leases	<u>\$ 7,592</u>

The details for the decrease related to accrued interest is as follows:

Total Accrued Interest reported on the Government-wide Statement of Net Assets	\$ 7,966
Less: accrued interest reporting in the Internal Service Funds	<u>(2)</u>
Net adjustment to increase fund balance-total governmental funds to arrive at net assets-governmental activities for accrued interest	<u>\$ 7,964</u>

(amounts are expressed in thousands)



**14. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Cont'd)****B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the Government-wide Statement of Activities.

The details of the increase of revenues that do not provide current financial resources are as follows:

Revenues earned but not recorded in fund financial statements	\$ 5,763
Current year property tax revenue unavailable in current period	1,780
Less: Property taxes collected in current year previously earned	<u>(1,763)</u>
Revenues in the Statement of Activities that do not provided current financial resources and are not reported as revenues in the fund financial statements	<u>\$ 5,780</u>

The details of the increase of bond costs are as follows:

Issuance costs expended per fund financial statements	\$ 1,656
Less: amounts expeneed amounts attrituble to current period	<u>(102)</u>
Total bonds costs	<u>\$ 1,554</u>

The details of the increase of bond premiums and deferred charges are as follows:

Amortization of bond premiums on long-term debt-Debt Service Fund, previously expensed in the fund financial statements	\$ 12,624
Amortization of bond premiums on long-term debt-General Obligation Bonds previously expensed in the fund financial statements	\$ 2,050
Amortization of bond premiums on long-term debt-nonmajor governmental funds previously expensed in the fund financial statements	4,385
Less: premiums on bonds and certificates not previously recorded in the fund financial statements	<u>(18,674)</u>
Total amortization of bond premiums and deferred charges (net)	<u>\$ 385</u>

(amounts are expressed in thousands)

# **14. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Cont'd)**

## **B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities (Continued)**

Another element of this reconciliation states, “Some expenses reported in the Statement of Activities are not reported as expenditures in governmental funds.” The details of the \$39,234 are as follows:

Compensated Absences	\$ (32,428)
Amortization Expense	265
Bond Refunding Expense	(5,887)
Interest Expense	(300)
Arbitrage Rebate Expense	<u>(885)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>\$ (39,235)</u></u>

# **15. DEFICITS IN FUND BALANCES / NET ASSETS**

## Special Revenue Funds

As of September 30, 2002, deficit fund balance at year-end is reported in the HOME Program and Community Development Program in the amounts of \$33 and \$168, respectively. The deficit is attributable to projects for which reprogramming of HOME Program and Community Development Program funds will occur subsequent to year-end. Upon reprogramming of funds, the deficit fund balance will be fully funded.

The Golf Course Fund had a deficit fund balance of \$781 as of September 30, 2002. The deficit is attributable to a decline in revenues in recent years due to increased competition by the private sector and extreme weather patterns. In addition, increased labor and equipment costs have contributed to the deficit.

## Internal Service Funds

As of September 30, 2002, deficit net assets at year-end are reported in the Employee Benefits Program, Workers Compensation Program, and Unemployment Compensation Self-Insurance Funds in the amounts of \$13,000, \$2,504, and \$229, respectively. The City will fund the deficits through assessments charged to various City funds in future years. Strategies such as cost containment programs including hospital audits, hospital pre-certification, utilization review, large case management, prescription benefit management, and a preferred provider organization are utilized to manage the rising costs of medical care.

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(amounts are expressed in thousands)

## 16. OTHER DISCLOSURES

### A. Donor Restricted Endowment

The City of San Antonio has three permanent funds: the San Jose Burial Park Permanent Fund, the Carver Cultural Center Endowment Fund and the San Antonio Housing Trust Fund. The City is only allowed to spend interest proceeds generated from the principal amount for each of these funds. The net assets from these three endowment funds are classified as restricted net assets and are reported in the government-wide financial statements. The principal is required to be retained in perpetuity while the interest is available to cover specific expenditures.

The San Jose Burial Park Permanent Fund generated \$68 in interest to be expended for specified purposes. Chapter 713 of the Texas Health and Safety Code governs what expenditures the City may incur when spending the interest income. Per Chapter 713, the revenue can be spent for the maintenance and care of the graves, lots, and burial places, and to beautify the entire cemetery. The principal amount of this fund is increased each year by sales of lots from the San Jose Cemetery.

The Carver's Endowment Fund generated \$8 in interest. These earnings can be used for the Carver Community Cultural Center's operating program, or reinvestment expenses (as detailed in the grant agreement). This fund is managed in accordance with the Uniform Management of Institutional Funds Act, which is codified as Section 163.001 in the Texas Property Code. The principal portion of the fund came from a one-time grant from the National Endowment for the Arts.

The San Antonio Housing Trust Fund generated \$199 in interest. These earnings may be disbursed to projects with particular emphasis on housing programs as grants or secured loans. All distributions or disbursements of this trust shall be made for the primary purpose of providing additional and continuing housing opportunities for low and moderate income families. This trust shall at all times be governed by, construed, regulated and administered in all respects under the laws of the State of Texas.

## 17. SUBSEQUENT EVENTS

### A. Primary Government (City)

#### Sale of Refunding and New Money General Obligation Debt

On November 21, 2002, the City Council approved the sale of the following obligations:

- \$55,850 General Improvement and Refunding Bonds, Series 2002, maturing 2003 through 2023, with interest rates ranging from 2.000% to 5.000%.
- \$69,930 Combination Tax and Revenue Certificates of Obligation, Series 2002, maturing 2004 through 2023, with interest rates ranging from 3.000% to 5.000%.

Delivery of the proceeds from the 2002 obligations occurred on December 11, 2002. Proceeds of the Series 2002 obligations will be utilized to refund a portion of the City's outstanding tax supported debt and to finance general improvements to the City, including streets and pedestrian improvements, drainage improvements, parks and recreation facilities improvements, library system improvements, public safety improvements, improvements and renovations to existing municipal facilities, and for other public purposes.

(amounts are expressed in thousands)



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***City of San Antonio  
Texas***

***Required Supplementary Information Other Than MD&A  
(Unaudited)***



***City of San Antonio  
Texas***

***Budgetary Comparison Schedule - General Fund***

## CITY OF SAN ANTONIO, TEXAS

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETED AMOUNTS		ACTUAL	
	ORIGINAL	FINAL		
<b>Resources (inflows):</b>				
Taxes	\$ 312,356,198	\$ 312,592,198	\$ 310,912,963	\$ (1,679,235)
Licenses and Permits	13,288,960	13,288,960	13,302,392	13,432
Intergovernmental	2,517,179	2,517,179	2,888,626	371,447
Revenues from Utilities	171,396,335	171,396,335	171,234,083	(162,252)
Charges for Services	24,346,744	25,078,687	24,631,495	(447,192)
Fines and Forfeits	13,121,897	13,121,897	10,828,974	(2,292,923)
Miscellaneous	14,468,642	12,977,011	12,054,469	(922,542)
Transfers from other funds	12,151,737	11,444,951	11,198,493	(246,458)
Amounts Available for Appropriation	563,647,692	562,417,218	557,051,495	(5,365,723)
<b>Charges to Appropriations (outflows):</b>				
General Government	66,430,184	69,351,827	57,213,168	12,138,659
Public Safety	347,042,322	354,820,409	351,557,071	3,263,338
Public Works	9,971,350	10,324,699	10,244,816	79,883
Sanitation	2,566,526	2,567,060	2,663,359	(96,299)
Health Services	13,696,002	13,716,542	14,076,213	(359,671)
Culture and Recreation	61,236,892	62,402,981	59,755,427	2,647,554
Welfare	17,475,534	18,317,676	17,662,015	655,661
Economic Development and Opportunity	6,722,970	8,323,656	7,632,008	691,648
Transfers to other funds	69,457,610	74,881,068	76,101,511	(1,220,443)
Total Charges to Appropriations	594,599,390	614,705,918	596,905,588	17,800,330
Excess (Deficiency) of Resources Over (Under)				
Charges to Appropriations	(30,951,698)	(52,288,700)	(39,854,093)	12,434,607
Fund Balance Allocation	30,951,698	52,288,700	39,854,093	(12,434,607)
Excess (Deficiency) of Resources Over (Under)				
Charges to Appropriations	\$ 0	\$ 0	\$ 0	\$ 0

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures****Sources/inflows of resources:**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 557,051,495
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(11,198,493)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 545,853,002

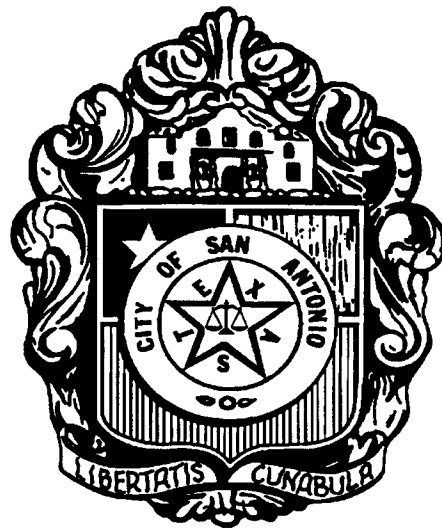
**Uses/outflows of resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 596,905,588
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	(3,350,459)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(76,101,511)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 517,453,618

**General Fund Budgetary Information**

The City Charter establishes requirements for the adoption of budgets and budgetary control. Under provisions of the Charter, expenditures of each City function and activity within individual funds cannot legally exceed the final budget approved by the City Council. Amendments to line items within a departmental budget may be initiated by Department Directors.

The City's prepares an annual budget for the General Fund on a modified accrual basis which is consistent with generally accepted accounting principles. The annual budgetary data reported for the General Fund represents the original appropriation ordinance and amendments thereto as adopted by the City Council, adjusted for encumbrances outstanding at the beginning of the fiscal year. All annual appropriations lapse at fiscal year end.





***City of San Antonio  
Texas***

***Pension Schedules***





**REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)**  
**SCHEDULES OF FUNDING PROGRESS**  
**LAST THREE FISCAL YEARS**

**FIRE AND POLICE PENSION PLAN—CITY OF SAN ANTONIO**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ENTRY AGE ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
10-01-01	\$ 1,285,936	\$ 1,539,932	\$ 253,996	84%	\$ 179,554	141%
10-01-00	1,181,582	1,339,954	158,372	88%	168,944	94%
10-01-99	1,031,786	1,256,746	224,960	82%	162,892	138%

**TEXAS MUNICIPAL RETIREMENT SYSTEM—CITY OF SAN ANTONIO**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	UNIT CREDIT ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL (1)	UAAL AS A PERCENTAGE OF COVERED PAYROLL
12-31-01	\$ 412,867	\$ 532,821	\$ 119,954	78%	\$ 189,495	63%
12-31-00	388,462	499,824	111,362	78%	168,040	66%
12-31-99	371,118	475,605	104,487	78%	154,797	67%

**CITY PUBLIC SERVICE ALL EMPLOYEE PLAN**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	UNIT CREDIT ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
01-01-01	\$ 713,600	\$ 643,500	\$ (70,100)	111%	\$ 165,300	(42)%
01-01-00	648,100	610,800	(37,300)	106%	148,900	(25)%
01-01-99	563,400	565,000	1,600	100%	138,500	1%

NOTES: (1) Abstracted from City payroll records.

(amounts are expressed in thousands)

(unaudited - see accompanying accountants' report)

**REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)**  
**SCHEDULES OF FUNDING PROGRESS**  
**LAST THREE FISCAL YEARS**

**SAN ANTONIO WATER SYSTEM - TMRS**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	UNIT CREDIT ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
12-31-01	\$	55,201	\$	81%	\$ 51,958	20%
12-31-00	44,613	53,974	10,588	82%	51,312	19%
12-31-99	44,206	49,140	9,768	82%	48,145	18%
	40,495		8,645			

**SAN ANTONIO WATER SYSTEM - PMLIC**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ENTRY AGE ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
01-01-01	\$	40,797	\$	77%	\$ 51,050	19%
01-01-00	31,341	46,229	19,812	57%	48,202	41%
01-01-99	26,417	45,391	21,838	52%	48,183	45%
	23,553					

(amounts are expressed in thousands)

(unaudited - see accompanying accountants' report)

**REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST THREE FISCAL YEARS**

FIRE AND POLICE PENSION - CITY OF SAN ANTONIO				TEXAS MUNICIPAL RETIREMENT SYSTEM - CITY OF SAN ANTONIO			
YEAR ENDED DATE	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	YEAR ENDED DATE	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED		
9/30/02	\$ 43,615	100%	9/30/02	\$ 23,147	100%		
9/30/01	42,065	100%	9/30/01	21,610	100%		
9/30/00	40,238	100%	9/30/00	19,352	100%		

**CPS ALL EMPLOYEE PLAN**

YEAR ENDED DATE	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
1/31/02	\$ 660	100%
1/31/01	5,397	100%
1/31/00	12,288	100%

**SAN ANTONIO WATER SYSTEM - TMRS**

YEAR ENDED DATE	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
12/31/01 (1) \$	1,044	100%
5/31/01	1,620	100%
5/31/00	1,593	100%
5/31/99	1,576	100%

**SAN ANTONIO WATER SYSTEM - PMLIC**

YEAR ENDED DATE	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
12/31/01 (1) \$	2,969	100%
5/31/01	2,770	100%
5/31/00	4,753	100%
5/31/99	3,344	100%

NOTES: (1) Contribution reflects for the seven months ended December 31, 2001, to coincide with San Antonio Water System new fiscal year end.

(amounts are expressed in thousands)

(unaudited - see accompanying accountants' report)

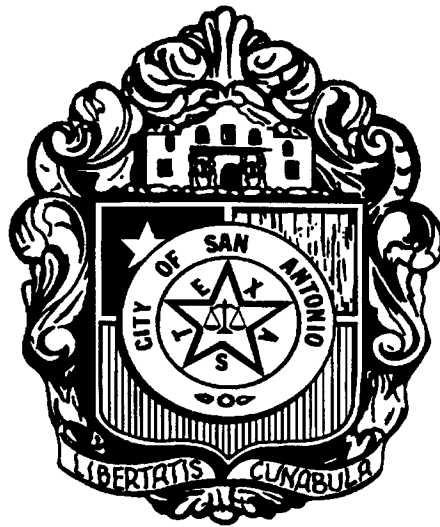
—— CITY OF SAN ANTONIO, TEXAS ——

**REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)**  
**NOTES TO SCHEDULES OF FUNDING PROGRESS**

	<u>FIRE AND POLICE PENSION FUND</u>	<u>TMRS - CITY AND SAWS</u>	<u>CPS ALL EMPLOYEE PLAN</u>	<u>PMLIC SAWS</u>
Actuarial Cost Method	Entry-age	Unit Credit	Unit Credit	Entry-age
Method Used to Value Assets	5 year smoothed	Amortized Cost	5 year smoothed	Amortized Cost
Assumed Inflation Rate	4.5%	None	4.0%	None
Assumed Investment Return	8.0%	8%	8.5%	8.5%
Assumed Projected Salary Increases	5.5%	None	5.0%	APH plus 3.4%
Assumed Postretirement Salary Increases	3.3750% to 4.5%	None	2.0%	None
Amortization Method	Level % of payroll	Level % of payroll	Level dollar	Level dollar
Amortization Period	27.04 years	25 years	9.89 years	39 years
Open/Closed Period	Open	Open	Open	Closed

(1) Table S-5 from the Actuary's Pension Handbook

(unaudited - see accompanying accountants' report)





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***City of San Antonio  
Texas***

***Combining Financial Statements & Schedules  
(Unaudited)***



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# City of San Antonio Texas

## *Non-Major Governmental Funds*

### **SPECIAL REVENUE FUNDS**

**HOTEL MOTEL TAX FUND** - to account for the operations of the City of San Antonio's Conventions and Tourism trade. Financing is provided by the Hotel-Motel Occupancy Tax.

**HOTEL MOTEL TAX CAPITAL IMPROVEMENT FUND** - to account for funds derived and activity relating to the additional 2% Municipal Hotel Motel Occupancy Tax.

**ALAMODOME FUND** - to account for the operations of the Alamodome System. Financing is provided by user fees, concessions, facility rental, and Hotel Motel Occupancy Tax (for Convention and Tourism only).

**STREET MAINTENANCE AND IMPROVEMENT FUND** - to account for funds used in the maintenance and improvement of street infrastructure. Financing is provided through transfer of funds from General Fund, and street resurfacing charges.

**PARKS DEVELOPMENT AND EXPANSION FUND** - to account for the additional one-eighth sales tax that funds the purchase and maintenance of new parkland in the Edwards Aquifer zones as well as linear parks along Leon Creek and Salado Creek.

**STORMWATER OPERATING FUND** - to account for the administrative and operational activities of the Stormwater Program. Financing is provided by a stormwater fee.

**PROJECT MANAGEMENT OFFICE FUND** - to account for funds used in administration related to the construction, expansion, and renovation of municipal facilities including the expansion of the Convention Center. Financing is provided from bonds proceeds and collections from the Municipal Hotel Motel Occupancy Tax.

**EMERGENCY MEDICAL SERVICES FUND** - to account for revenues received and expenditures made in conjunction with the City's Emergency Medical Service. Financing is provided by service fees and additional funds transferred from the General Fund.

**CAPITAL IMPROVEMENTS RESERVE FUND** - to account for the financing of special capital improvements designated by the City Council. Financing is derived from the sale of excess City land and from City Public Service Board non-budgeted sales to other utilities. Amounts are transferred to the Capital Project Improvement Projects Fund for construction purposes.

**NELSON WOLFF STADIUM** - to account for the operations of Nelson W. Wolff Stadium. Financing is provided by user fees, concessions, facility rental and event parking.

**CONFISCATED PROPERTY FUND** - to account for receipts and disbursement of funds confiscated by law enforcement officers within the City of San Antonio, Texas.

**PUBLIC HEALTH SUPPORT REVENUE FUND** - to account for funds provided for the City's Health Support Facilities. Financing is derived through reimbursements for local health care services provided to eligible legalized aliens.



## ***Non-Major Governmental Funds (continued)***

### **SPECIAL REVENUE FUNDS (continued)**

**JOB TRAINING, NEIGHBORHOOD REVITALIZATION, AND ECONOMIC DEVELOPMENT FUND** - to account for the proceeds realized from the lease-lease back of City Public Service, the City's Electric Utility. The proceeds will be used to fund better jobs, neighborhood revitalization, technology accelerator initiative, and capital improvement programs.

**HOME PROGRAM FUND** - to accept, receipt and disburse federal funds designated for HOME Investment Partnership Programs.

**CATEGORICAL GRANT-IN AID FUNDS** - to account for receipt and disbursement of all federal and state grants except for Community Development Block Grants and Home Investment Partnership Grants.

**HUD 108 LOAN PROGRAM** - to accept, receipt and disburse federal funds designed for the financing of facility improvements at KellyUSA. The City, as the loan originator, has made a third party loan to the Greater Kelly Development Authority (GKDA) to make certain building improvements needed to accommodate the Boeing Corporation's Aerospace Support Center at KellyUSA.

**COMMUNITY DEVELOPMENT PROGRAM FUND** - to accept, receipt and disburse federal funds designated for Community Development Block Grants' programs.

**COMMUNITY SERVICES FUND** - to account for funds that provide various services to the community such as health, housing, education, safety, employment and economic development. Included in this fund are two blended component units, the San Antonio Industrial Development Authority which was established in accordance with state laws for the purpose of furthering the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare. The San Antonio Health Facilities Development Corporation established in accordance with state laws for the purpose of acquiring, constructing, improving, providing financing, refinancing for any real, personal, or mixed property for health care, research, and education and to assist in the maintenance of the public health.

**GOLF COURSE SYSTEM** - to account for the operation of the City's Golf Course Facilities. Financing for Golf Course Operations is provided by user fees.

**BROOKS CITY-BASE OFFICE** - to account for the operation of the Brooks City-Base Office for efficient internal control and monitoring.

**INTERNATIONAL CENTER FUND** - to account for revenues and the general maintenance of the International Center. Financing is provided by charges for rent, common area maintenance of the facility and a contribution from the General Fund.

### **CAPITAL PROJECTS FUNDS**

**IMPROVEMENT PROJECTS** - to account for special capital improvements designated by City Council. Financing is derived from contributions from other funds.

**CERTIFICATES OF OBLIGATION** - to account for permanent public improvements and/or construction of municipal facilities, Streets, Drainage, and Emergency Fire Protection projects. Financing is derived from the sale of Certificates of Obligation.

**CONVENTION CENTER EXPANSION** - to account for financial resources to be used in the Convention Center Expansion Project. Financing was derived from a 2% Hotel/Motel tax, and proceeds from the subsequent sale of debt.



## **City of San Antonio Texas**

### ***Non-Major Governmental Funds (continued)***

#### **CAPITAL PROJECTS FUNDS (continued)**

***PARKS DEVELOPMENT AND EXPANSION*** - to account for the planning, acquisition, establishment, development, construction or renovation of various venue projects as authorized by Proposition No. 3, entitled "Parks Development and Expansion Venue Projects." Financing is derived from the sale of commercial paper and 1/8 cent sales tax.

#### **PERMANENT FUNDS**

***SAN JOSE BURIAL PARK PERMANENT FUND*** - to account for operation of City's burial park. Financing is provided by user fees.

***CARVER CULTURAL CENTER ENDOWMENT FUND*** - to account for matching funds held by the City of San Antonio and grant funds awarded by the National Endowment for the Arts.

***SAN ANTONIO HOUSING TRUST FUND*** - to account for funds utilized in programs administered by the San Antonio Housing Trust Foundation. Financing is provided from interest earned from investments that were designated from the sale of the Roger's Cable System.



**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF SEPTEMBER 30, 2002**

	Special Revenue Funds									
	Hotel Motel Tax	Hotel Motel Tax Capital Improvement	Alamodome	Street Maintenance And Improvements	Parks Development And Expansion	Stormwater Operations	Project Management Office	Emergency Medical Services	Capital Improvements Reserve	
<u>ASSETS</u>										
Assets:										
Cash and Cash Equivalents	\$ 5,267,330	\$ 287,611	\$ 2,149,286	\$ 2,848,139	\$ 5,038,185	\$ 3,569,384	\$ 16,758	\$ 188,303	\$ 1,199,166	
Investments	13,010,005	693,414	3,508,454	6,390,390	12,146,752	8,660,693	38,829	453,999	2,561,171	
Receivables	380,772		90,570	1,788		2,248		67,470,597		
Less: Allowance for Uncollectibles	(60,543)		(90,570)					(62,239,022)		
Accrued Interest	31,086	1,822	9,118	10,859	29,489	21,036	67		7,171	
Accrued Revenue	3,273,268	932,747	437,047	1,910,608	2,918,753	1,153,469			922	
Prepaid Expenditures	750									
Due from Other Funds				1,418,709	6,657	296,856		10,011		
Due from Other Governmental Agencies				127,764	75,000					
Inventories of Materials and Supplies, at Cost	241,009		475,776	162,839		115,608		420,844		
Deposits	17,148									
<u>Total Assets</u>	<u>22,160,825</u>	<u>1,915,594</u>	<u>6,579,681</u>	<u>12,871,096</u>	<u>20,214,836</u>	<u>13,819,294</u>	<u>55,654</u>	<u>6,304,732</u>	<u>3,768,430</u>	
<u>LIABILITIES AND FUND BALANCES</u>										
Liabilities:										
Vouchers Payable	2,400,329		503,181	2,117,890		109,944	612	188,640		
Accounts Payable - Other	1,516,376		899,026	13,990	13,630	5,077	1,918	24,066		
Accrued Payroll	285,737		74,770	204,668		162,619	4,443	91,604		
Accrued Leave Payable	100,349		20,099	89,233		27,890	2,107	607,447		
Deferred Revenues	41,331		(11,953)					5,230,575		
Due To:										
Other Funds		515	5,544			202,992	21,380		34,276	
Other Governmental Agencies										
<u>Total Liabilities</u>	<u>4,344,122</u>	<u>515</u>	<u>1,490,667</u>	<u>2,425,781</u>	<u>13,630</u>	<u>508,522</u>	<u>30,460</u>	<u>6,142,332</u>	<u>34,276</u>	
Fund Balances:										
Reserved:										
Reserved for Encumbrances	1,987,152		200,935	10,545,292	457,229	1,240,633		152,779	2,168,456	
Reserved for Inventories	241,009		475,776	162,839		115,608		420,844		
Reserved for Prepaid Expenditures	750									
Unreserved:										
Designated: Special Revenue Funds	9,891,508		2,911,520	1,874,082		238,061	25,194	5,372	100,752	
Designated: Permanent Funds										
Undesignated: Special Revenue Funds	5,696,284	1,915,079	1,500,783	(2,136,898)	19,743,977	11,716,470		(416,595)	1,464,946	
Undesignated: Capital Projects Funds										
Undesignated: Permanent Funds										
<u>Total Fund Balances</u>	<u>17,816,703</u>	<u>1,915,079</u>	<u>5,089,014</u>	<u>10,445,315</u>	<u>20,201,206</u>	<u>13,310,772</u>	<u>25,194</u>	<u>162,400</u>	<u>3,734,154</u>	
<u>Total Liabilities and Fund Balances</u>	<u>\$ 22,160,825</u>	<u>\$ 1,915,594</u>	<u>\$ 6,579,681</u>	<u>\$ 12,871,096</u>	<u>\$ 20,214,836</u>	<u>\$ 13,819,294</u>	<u>\$ 55,654</u>	<u>\$ 6,304,732</u>	<u>\$ 3,768,430</u>	

— CITY OF SAN ANTONIO, TEXAS —

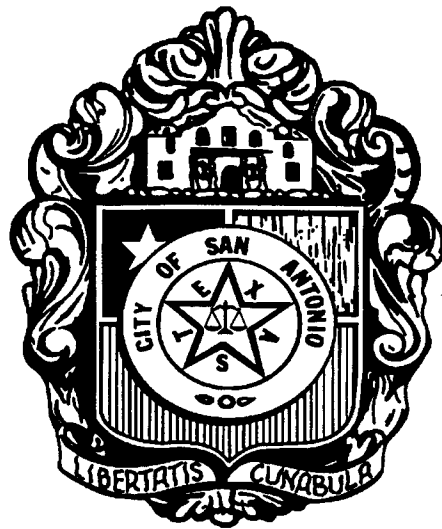
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF SEPTEMBER 30, 2002**

Special Revenue Funds											
Nelson Wolff Stadium	Confiscated Property	Public Health Support Revenue	Job Training Neighborhood Revitalization And Economic Development	HOME Program	Categorical Grant-In Aid	HUD 108 Loan Program	Community Development Program	Community Services	Golf Course	Brooks City-Base	International Center
\$ 7,805 16,165	\$ 564,859 1,359,234	\$ 323,405 779,710 13,113	\$ 1,351,658 3,258,764	\$ 9,467 2,349,880	\$ 53,733 3,389,851 7,966	\$ 842,604 927,592 2,076	\$ 636,187 4,073,168	\$ 6,134,971 7,661,954 2,444,452 (60,000) 18,139 493,084	\$ 22,244 32,895 48,487	\$ 60,330 145,453 2,447	\$ 77,853 213,285
35 152,789	3,361 3,584	1,610 13,193 4,100	8,083							748	619
				641,893	733,864 29,998,295		993,923	43,007 427,814 26,027 75,000	17,837 127,265 197,080		
45,737											
<u>222,531</u>	<u>1,931,038</u>	<u>1,135,131</u>	<u>4,618,505</u>	<u>3,001,240</u>	<u>34,183,709</u>	<u>1,772,272</u>	<u>5,703,278</u>	<u>17,264,448</u>	<u>445,808</u>	<u>208,978</u>	<u>291,757</u>
45,516 21,143 4,789 2,346	35,200 2,468	1,786 2,175 17,597 10,967 13,113		268,952 33 6,206 2,348,933	4,920,663 759,247 538,596 312,500	21,882 14,878 14,878 14,878	1,256,146 14,878 66,913 3,928,143	483,119 2,786,842 51,144 36,446 662,731	72,411 167,842 66,457 23,659 127,265	46,740 292 4,126 3,783	10,480 9,501 5,879 1,855
10,799		13,113		410,000	24,291,458		605,712	1,094,519	769,141		112,860
84,593	37,668	58,751		3,034,124	30,822,464	1,603,148 1,625,030	5,871,792	5,114,801	1,226,775	54,941	140,575
4,315 45,737	68,442	13,005 4,100	423,000					235,824 26,027	1,860 197,080	182,452	447
27,186	129,594	2,200	342,100					1,530	273	107,677	67,603
60,700	1,695,334	1,057,075	3,853,405	(32,884)	3,361,245	147,242	(168,514)	11,886,266	(980,180)	(136,092)	83,132
<u>137,938</u>	<u>1,893,370</u>	<u>1,076,380</u>	<u>4,618,505</u>	<u>(32,884)</u>	<u>3,361,245</u>	<u>147,242</u>	<u>(168,514)</u>	<u>12,149,647</u>	<u>(780,967)</u>	<u>154,037</u>	<u>151,182</u>
<u>\$ 222,531</u>	<u>\$ 1,931,038</u>	<u>\$ 1,135,131</u>	<u>\$ 4,618,505</u>	<u>\$ 3,001,240</u>	<u>\$ 34,183,709</u>	<u>\$ 1,772,272</u>	<u>\$ 5,703,278</u>	<u>\$ 17,264,448</u>	<u>\$ 445,808</u>	<u>\$ 208,978</u>	<u>\$ 291,757</u>

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF SEPTEMBER 30, 2002**

Total Nonmajor Special Revenue Funds	Capital Projects Funds					Total Nonmajor Capital Projects Funds	Permanent Funds				Total Nonmajor Governmental Funds
	Improvement Projects	Certificates of Obligation	Convention Center Expansion	Parks Development and Expansion	Municipal Facilities		San Jose Burial Park	Carver Cultural Center Endowment	San Antonio Housing Trust	Total Nonmajor Permanent Funds	
\$ 30,649,278	\$ 8,309,047	\$ 21,640,192	\$ 621,214	\$ 5,446,758	\$ 7,894,955	\$ 43,912,166	\$ 917,753	\$ 114,543	\$ 10,360,118	\$ 11,392,414	\$ 85,953,858
65,248,610	18,685,978	53,118,847	1,498,952	2,283,902		75,587,679	2,213,805	276,157	119,962	2,609,924	143,446,213
76,887,564	19,683	37,600	166,120			223,403	20,863			20,863	77,131,830
(62,450,135)		(37,600)				(37,600)					(62,487,735)
143,243	37,333	141,513	3,726	15,966		198,538	5,507	664	11,786	17,957	359,738
11,289,464											11,289,464
4,850											4,850
2,526,941			21,895			21,895					2,548,836
32,391,954	1,030,186	2,388				1,032,574			331,344	331,344	33,755,872
1,684,920											1,684,920
92,148			261,359			261,359					353,507
<u>158,468,837</u>	<u>28,082,227</u>	<u>74,902,940</u>	<u>2,573,266</u>	<u>7,746,626</u>	<u>7,894,955</u>	<u>121,200,014</u>	<u>3,157,928</u>	<u>391,364</u>	<u>10,823,210</u>	<u>14,372,502</u>	<u>294,041,353</u>
12,483,491	7,968,098	445,202	12,821	3,660		8,429,781			21,355	21,355	20,934,627
6,238,504	7,507,904	334,792	667,083			8,509,779	387			387	14,748,670
1,585,548							4,786			4,786	1,590,334
926,181							10,344			10,344	936,525
12,652,638	1,049,869	2,388				1,052,257	20,863		331,344	352,207	14,057,102
27,572,309	43,007					43,007					27,615,316
1,603,148											1,603,148
<u>63,061,819</u>	<u>16,568,878</u>	<u>782,382</u>	<u>679,904</u>	<u>3,660</u>		<u>18,034,824</u>	<u>36,380</u>		<u>352,699</u>	<u>389,079</u>	<u>81,485,722</u>
17,681,821	97,417,361	75,573,600	1,884,196	32,232		174,907,389	3,829		60,941	64,770	192,653,980
1,684,920											1,684,920
4,850											4,850
15,724,652											15,724,652
60,310,775							1,377,671	333,784	1,000,000	2,711,455	2,711,455
	(85,904,012)	(1,453,042)	9,166	7,710,734	7,894,955	(71,742,199)					60,310,775
							1,740,048	57,580	9,409,570	11,207,198	(71,742,199)
											11,207,198
<u>95,407,018</u>	<u>11,513,349</u>	<u>74,120,558</u>	<u>1,893,362</u>	<u>7,742,966</u>	<u>7,894,955</u>	<u>103,165,190</u>	<u>3,121,548</u>	<u>391,364</u>	<u>10,470,511</u>	<u>13,983,423</u>	<u>212,555,631</u>
<u>\$ 158,468,837</u>	<u>\$ 28,082,227</u>	<u>\$ 74,902,940</u>	<u>\$ 2,573,266</u>	<u>\$ 7,746,626</u>	<u>\$ 7,894,955</u>	<u>\$ 121,200,014</u>	<u>\$ 3,157,928</u>	<u>\$ 391,364</u>	<u>\$ 10,823,210</u>	<u>\$ 14,372,502</u>	<u>\$ 294,041,353</u>



## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

Special Revenue Funds									
	Hotel Motel Tax	Hotel Motel Tax Capital Improvement	Alamodome	Street Maintenance and Improvements	Parks Development and Expansion	Stormwater Operations	Project Management Office	Emergency Medical Services	Capital Improvements Reserve
<b>Revenues</b>									
Taxes:									
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Sales and Use Taxes					17,508,571				
Occupancy Taxes	35,005,834	10,001,496							
Penalties and Interest on Delinquent Taxes	44,477	12,681							
Intergovernmental				1,468,149					
Charges for Services	8,028,971		9,009,120	880,495		19,686,878		8,962,521	742,944
Miscellaneous	148,883		37,652	2,048,113		697,758		15,874	267,974
Interest	366,426	79,998	94,259	164,260	298,709	209,265	679	712	110,671
Net Increase (Decrease) in Fair Value of Investments	(19,844)	(10,040)	(3,111)	(7,512)	(4,956)	(9,222)	(35)		(6,559)
In-Kind Contributions									
<b>Total Revenues</b>	<b>43,574,747</b>	<b>10,084,135</b>	<b>9,137,920</b>	<b>4,553,505</b>	<b>17,802,324</b>	<b>20,584,679</b>	<b>644</b>	<b>8,979,107</b>	<b>1,115,030</b>
<b>Expenditures</b>									
Current:									
General Government									1,715
Public Safety									
Public Works				26,632,068		17,039,160			
Health Services								38,158,287	
Environmental Protection and Control									
Welfare									
Culture and Recreation					1,007,370				
Convention and Tourism	39,543,338	95,832	8,858,384				469,704		
Conservation									
Urban Redevelopment and Housing									
Economic Development and Opportunity									
Capital Projects									
<b>Total Expenditures</b>	<b>39,543,338</b>	<b>95,832</b>	<b>8,858,384</b>	<b>26,632,068</b>	<b>1,007,370</b>	<b>17,039,160</b>	<b>469,704</b>	<b>38,158,287</b>	<b>1,715</b>
<b>Excess (Deficiency) of Revenues</b>									
<b>Over (Under) Expenditures</b>	<b>4,031,409</b>	<b>9,988,303</b>	<b>279,536</b>	<b>(22,078,563)</b>	<b>16,794,954</b>	<b>3,545,519</b>	<b>(469,060)</b>	<b>(29,179,180)</b>	<b>1,113,315</b>
<b>Other Financing Sources (Uses)</b>									
Long-Term Debt Issued									
Amounts from Notes and Loans									
Premium on Long-term Debt									
Operating Transfers In	367,021		107,273	31,698,968		86,875	738,370	28,652,197	349,931
Operating Transfers Out	(7,650,930)	(20,042,938)	(542,289)	(11,964,536)	(12,544,412)	(898,833)	(292,797)		(3,845,358)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,283,909)</b>	<b>(20,042,938)</b>	<b>(435,016)</b>	<b>19,734,432</b>	<b>(12,544,412)</b>	<b>(811,958)</b>	<b>445,573</b>	<b>28,652,197</b>	<b>(3,495,427)</b>
<b>Net Change in Fund Balances</b>	<b>(3,252,500)</b>	<b>(10,054,635)</b>	<b>(155,480)</b>	<b>(2,344,131)</b>	<b>4,250,542</b>	<b>2,733,561</b>	<b>(23,487)</b>	<b>(526,983)</b>	<b>(2,382,112)</b>
<b>Fund Balances, October 1</b>	<b>21,069,203</b>	<b>11,969,714</b>	<b>5,244,494</b>	<b>12,789,446</b>	<b>15,950,664</b>	<b>10,577,211</b>	<b>48,681</b>	<b>689,383</b>	<b>6,116,266</b>
<b>Fund Balances, September 30</b>	<b>\$ 17,816,703</b>	<b>\$ 1,915,079</b>	<b>\$ 5,089,014</b>	<b>\$ 10,445,315</b>	<b>\$ 20,201,206</b>	<b>\$ 13,310,772</b>	<b>\$ 25,194</b>	<b>\$ 162,400</b>	<b>\$ 3,734,154</b>



— CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

Special Revenue Funds

Nelson Wolff Stadium	Confiscated Property	Public Health Support Revenue	Job Training Neighborhood Revitalization And Economic Development	HOME Program	Categorical Grant-In Aid	HUD 108 Loan Program	Community Development Program	Community Services	Golf Course	Brooks City-Base	International Center
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 283,594	\$ 0	\$ 0	\$ 0
540,158		1,231,860		5,108,278	150,619,491	280,659	19,712,720	2,183,129			
49,284	759,292	1,217,536			36,765			3,439,333	6,392,460		963,721
399	39,980	15,669	97,638	215,904	3,978,304	1,287,348	665,844	2,995,345	9,851		
(21)	(2,354)	(850)	(6,675)		(4,659)	25,157		218,471	24	1,971	5,568
					14,504,494	(936)		(10,539)		9	(215)
589,820	796,918	2,464,215	90,963	5,324,182	169,134,395	1,592,228	20,378,564	9,109,333	6,402,335	1,980	969,074
	899,020				3,418		117,003	7,876,271			
					11,150,677		427,287	1,007,404			
		2,298,886			11,463,200		1,320,066	493,920			
					21,826,294		122,717	201,287			
					376,454		15,024				
686,608					115,301,588		574,027	293,651			
					2,581,206		2,719,986	1,896,129	6,639,338		796,949
				5,324,182	62,699		5,683,607	366,310			
			762,900		5,853,792		3,880,252	1,998,797		497,790	
					9,860,940	1,577,176					
686,608	899,020	2,298,886	762,900	5,324,182	178,480,268	1,577,176	14,859,969	14,133,769	6,639,338	497,790	796,949
(96,788)	(102,102)	165,329	(671,937)		(9,345,873)	15,052	5,518,595	(5,024,436)	(237,003)	(495,810)	172,125
								3,374,152			
81,160		182,000			11,579,607			2,762,526		649,847	28,835
(1,914)	(76,415)	(118,400)			(1,631,163)		(5,572,857)	(2,423,949)	(7,770)		(15,676)
79,246	(76,415)	63,600			9,948,444		(5,572,857)	3,712,729	(7,770)	649,847	13,159
(17,542)	(178,517)	228,929	(671,937)		602,571	15,052	(54,262)	(1,311,707)	(244,773)	154,037	185,284
155,480	2,071,887	847,451	5,290,442	(32,884)	2,758,674	132,190	(114,252)	13,461,354	(536,194)		(34,102)
\$ 137,938	\$ 1,893,370	\$ 1,076,380	\$ 4,618,505	\$ (32,884)	\$ 3,361,245	\$ 147,242	\$ (168,514)	\$ 12,149,647	\$ (780,967)	\$ 154,037	\$ 151,182

Total Nonmajor Special Revenue Funds	Capital Projects Funds						Permanent Funds					Total Nonmajor Governmental Funds
	Improvement Projects	Certificates of Obligation	Convention Center Expansion	Parks Development and Expansion	Municipal Facilities	Total Nonmajor Capital Projects Funds	San Jose Burial Park	Carver Cultural Center Endowment	San Antonio Housing Trust	Total Nonmajor Permanent Funds		
\$ 283,594	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 283,594	
17,508,571											17,508,571	
45,007,330											45,007,330	
57,158											57,158	
180,604,286	157,359	256,183				413,542					181,017,828	
59,900,902							41,387			41,387	59,942,289	
13,177,426	297,005	7,571				304,576	196			196	13,482,198	
1,729,856	436,732	1,849,844	(6,708)	218,919	270,051	2,768,838	67,573	7,707	198,621	273,901	4,772,595	
(87,519)	(32,924)	(25,183)	(3,303)	(5,298)		(66,708)	(3,774)	(420)	(564)	(4,758)	(158,985)	
14,504,494											14,504,494	
332,686,098	858,172	2,088,415	(10,011)	213,621	270,051	3,420,248	105,382	7,287	198,057	310,726	336,417,072	
7,998,407							680,015			680,015	8,678,422	
13,484,388											13,484,388	
56,948,414											56,948,414	
62,607,471											62,607,471	
391,478											391,478	
116,169,266											116,169,266	
15,530,637											15,530,637	
49,764,207											49,764,207	
62,699											62,699	
17,227,891									241,462	241,462	17,469,353	
18,577,855											18,577,855	
	47,065,072	10,491,269	8,523,946	6,438,446	7,766,552	80,285,285					80,285,285	
358,762,713	47,065,072	10,491,269	8,523,946	6,438,446	7,766,552	80,285,285	680,015		241,462	921,477	439,969,475	
(26,076,615)	(46,206,900)	(8,402,854)	(8,533,957)	(6,224,825)	(7,496,501)	(76,865,037)	(574,633)	7,287	(43,405)	(610,751)	(103,552,403)	
		65,195,000				65,195,000					65,195,000	
3,374,152		4,384,844				4,384,844					3,374,152	
77,284,610	36,128,407	2,695,853	10,519,213			49,343,473					126,628,083	
(67,630,237)	(2,134,482)	(17,390,216)	(738,370)			(20,263,068)		(20,000)		(20,000)	(87,913,305)	
13,028,525	33,993,925	54,885,481	9,780,843			98,660,249		(20,000)		(20,000)	111,668,774	
(13,048,090)	(12,212,975)	46,482,627	1,246,886	(6,224,825)	(7,496,501)	21,795,212	(574,633)	(12,713)	(43,405)	(630,751)	8,116,371	
108,455,108	23,726,324	27,637,931	646,476	13,967,791	15,391,456	81,369,978	3,696,181	404,077	10,513,916	14,614,174	204,439,260	
\$ 95,407,01												



**SPECIAL REVENUE FUNDS  
COMMUNITY SERVICES FUND  
COMBINING SCHEDULE/BALANCE SHEET  
AS OF SEPTEMBER 30, 2002**

FUNDS	ASSETS											TOTAL ASSETS 2002
	RECEIVABLES											
	CASH AND EQUIVALENTS	INVESTMENTS	OTHER ACCOUNTS	LESS:		ACCRUED INTEREST	ACCRUED REVENUE	DUE FROM OTHER FUNDS	DUE FROM OTHER GOV'T AGENCIES	INVENTORIES OF MATERIALS AND SUPPLIES AT COST	DEPOSITS	
				ALLOWANCE FOR UNCOLLECTIBLES								
Public Library-Other Memorials and Gifts Fund	\$ 33,398	\$ 80,522	\$ 0	\$ 0	\$ 201	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 114,121
Brown Bag Days Fund	70	169			1							240
Carver Community Contribution Fund	(49,966)											(49,966)
San Antonio Branch Libraries Gift Fund	35,735	86,155			203							122,093
San Antonio Library Foundation Gift Fund	446,830	1,077,281	398,610		2,567							1,925,288
San Antonio Friends of the Library Gift Fund	8,993	21,682			61							30,736
Bexar County Rabies Control						3,293		34,643				37,936
The City's Front Yard Program Fund	64,436	155,352			391							220,179
Market Square San Antonio Cultural Program	2,619	6,314			13							8,946
San Antonio Downtown Citizens' Beautification Program	131	315			1							447
Child Abuse Prevention Program/Kidcare	(32,903)											(32,903)
Martin Luther King Celebration	(22,739)											(22,739)
Special Art Acquisition and Maintenance Fund	667	1,608			4							2,279
Martin Luther King Scholarships Memorial Fund	(7,916)											(7,916)
La Villita Memorials and Gifts	1,266	3,051			7							4,324
Alamo Foundation Inc. Gift	(19,547)		20,000									453
Elizabeth Evelyn Beike Gift to Oakwell Library	16,656	40,157			95							56,908
Commission for Children and Families	2,195	5,293			13							7,501
San Antonio Petroleum Bulk Terminal Operators	1,577	3,800			9							5,386
City of San Antonio Historic Preservation Fund	7,241	17,457			41							24,739
Window Tint Meters Gift Fund												
Officer Neal Mitchell Bike Training Fund												
Dies Y Seis Celebration	16,106	38,830			76							55,012
Cellular on Patrol Trust Funds	591	1,426			3							2,020
Woodlawn Lake July 4 Celebration	(322)											(322)
Miscellaneous Memorials and Gifts Fund	3,606	8,694			20							12,320
Market Square Improvement Trust Fund	42,521	102,517			250							145,288
Mayor's Conference on Status of Women	4,820											4,820
San Antonio Literacy Trust Fund	4,796	11,563			28							16,387
Work/Family Commission Contribution Fund	449	1,083			3							1,535
EMS Bike Response Team Trust Fund												
Economic Initiative Fund								188,951				188,951
San Antonio Public Library-Hertzberg Circus Fund	(15,933)											(15,933)
San Antonio Public Library-Alice Moore Fund	160	387			1							548
Knights of Pythias Cemetery Fund	872	2,103			5							2,980
Fire Prevention Week Trust Fund	839	2,022			5							2,866
Fire Ladder Truck Buy-In Project	372,831	898,871			1,096							1,272,798
Victim's Advocacy Trust Fund	1,128	2,719			6							3,853
Dwyer Center Rental Income Trust	57,541	138,726			357							196,624
School Zone Flashing Beacons	150,129											150,129
State Paid Traffic Signals	1,577					379,338						380,915
San Antonio Police Training Classes Fund	64,495	155,494			432							220,421
HIDTA Group Leasing Program						11,341						11,341
Community Action Program Projects Fund	5,283											5,283
Tree Preservation Mitigation Fund	7,424	17,899			43							25,366
Police Academy Memorial Plaza Construction	310	748			2							1,060
Forensic Mapping System	255	615			2							872
"C" Fire Technical Rescue Equipment Project	931		5,000									5,931
Affordable Housing Trust Fund	25,512	61,507			145							87,164
City Holiday Gift Program	(124)											(124)
City Volunteer Corp Trust Fund	865											865
San Antonio Flood Relief Fund	3,801	9,164			19							12,984
TIF 3 City Commercial TIF Fund	11,784	28,410			49							40,243
San Antonio Symphony/Zoo Obligation Project												
Americans w/Disability Act Access Enhancement	1,222	2,947			7							4,176
Better Jobs Expendable Trust Fund	1,112,500	2,682,167			7,170							3,801,837
Zoo Concession Area Capital Repair Trust	1											1
ACCD Settlement Education for City Employees Fund			847,045									847,045
ACCD Settlement Advanced Technology Center Fund			778,476									778,476
Prop 3 Habitat Mitigation Fund	1,151	2,776			6							3,933
Special Public Improvement District Fund	175,918	424,127	39,121		1,220							715,386
Seminar Operating Fund	2,123	5,119			12							7,254
Lease Purchase Fund												
Park's Recreation Athletic Fund	293,306	707,143			1,708							1,002,157
911 District Fund			75,311									75,311
Tax Clearance Account	1,217,215											1,217,215
San Antonio Health Facilities Development Corporation	19,793											19,793
San Antonio Industrial Development Authority	11,518											11,518
Otto Koehler Park					18	8,685						8,703
Child Safety					147	90,427						90,574
Soil Remediation	22,982	143,855	280,000	(60,000)	389							387,226
Official City Store	19,514	45,600			109					26,027		91,250
Housing Asset Recovery Program	32,826	79,141			155							112,122
Tax Increment Financing	195,421	471,147			970			204,220				871,758
Enterprise Resource Management Project	34,728	82,521	889				43,007					161,145
Park Acquisition and Development Fund	13,885	33,477			79							47,441
Equipment Acquisition Fund	1,729,878											1,729,878
TOTAL	\$ 6,134,971	\$ 7,661,954	\$ 2,444,452	\$ (60,000)	\$ 18,139	\$ 493,084	\$ 43,007	\$ 427,814	\$ 26,027	\$ 75,000	\$ 17,264,448	

SPECIAL REVENUE FUNDS  
COMMUNITY SERVICES FUND  
COMBINING SCHEDULE/BALANCE SHEET  
AS OF SEPTEMBER 30, 2002

FUNDS	LIABILITIES						TOTAL LIABILITIES	FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES 2002
	VOUCHERS PAYABLE	ACCOUNTS PAYABLE OTHER	ACCRUED PAYROLL	ACCRUED LEAVE PAYABLE	DEFERRED REVENUE	DUE TO OTHER FUNDS			
Public Library-Other Memorials and Gifts Fund	\$ 486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 486	\$ 113,635	\$ 114,121
Brown Bag Days Fund								240	240
Carver Community Contribution Fund	1,908						1,908	(51,874)	(49,966)
San Antonio Branch Libraries Gift Fund	35						35	122,058	122,093
San Antonio Library Foundation Gift Fund	33,607		2,760		398,610		434,977	1,490,311	1,925,288
San Antonio Friends of the Library Gift Fund	1,005						1,005	29,731	30,736
Bexar County Rabies Control	236		2,685	6,734			44,062	(6,126)	37,936
The City's Front Yard Program Fund	5,277	231				34,407	5,508	214,671	220,179
Market Square San Antonio Cultural Program Fund								8,946	8,946
San Antonio Downtown Citizens' Beautification Program								447	447
Child Abuse Prevention Program/Kidcare								(32,903)	(32,903)
Martin Luther King Celebration								(22,739)	(22,739)
Special Art Acquisition & Maintenance Fund								2,279	2,279
Martin Luther King Scholarship Memorial Fund								(7,916)	(7,916)
La Villita Memorials and Gifts								4,324	4,324
Alamo Foundation Inc. Gift								453	453
Elizabeth Evelyn Beike Gift to Oakwell Library								56,908	56,908
Commission for Children and Families								7,501	7,501
San Antonio Petroleum Bulk Terminal Operators								5,386	5,386
City of San Antonio Historic Preservation Fund								24,739	24,739
Window Tint Meters Gift Fund									
Officer Neal Mitchell Bike Training Fund									
Dies Y Seis Celebration								55,012	55,012
Cellular on Patrol Trust Funds								2,020	2,020
Woodlawn Lake July 4 Celebration								(322)	(322)
Miscellaneous Memorials and Gifts Fund								12,320	12,320
Market Square Improvement Trust Fund	1,992						1,992	143,296	145,288
Mayor's Conference on Status of Women								4,820	4,820
San Antonio Literacy Trust Fund								16,387	16,387
Work/Family Commission Contribution Fund								1,535	1,535
EMS Bike Response Team Trust Fund									
Economic Initiative Fund	566	600	8,383	5,847		188,812	204,208	(15,257)	188,951
San Antonio Public Library-Hertzberg Circus Fund								(15,933)	(15,933)
San Antonio Public Library-Alice Moore Fund								548	548
Knights of Pythias Cemetery Fund								2,980	2,980
Fire Prevention Week Trust Fund								2,866	2,866
Fire Ladder Truck Buy-In Project								1,272,798	1,272,798
Victim's Advocacy Trust Fund								3,853	3,853
Dwyer Center Rental Income Trust	2,224	58	2,439	1,142			5,863	190,761	196,624
School Zone Flashing Beacons								150,129	150,129
State Paid Traffic Signals								1,577	380,915
San Antonio Police Training Classes Fund	1,800	36				379,338	379,338	1,836	220,421
HIDTA Group Leasing Program						11,341	11,341		11,341
Community Action Program Projects Fund								5,283	5,283
Tree Preservation Mitigation Fund								25,366	25,366
Police Academy Memorial Plaza Construction								1,060	1,060
Forensic Mapping System								872	872
"C" Fire Technical Rescue Equipment Project					5,000		5,000	931	5,931
Affordable Housing Trust Fund								87,164	87,164
City Holiday Gift Program								(124)	(124)
City Volunteer Corp Trust Fund	49						49	816	865
San Antonio Flood Relief Fund								12,984	12,984
TIF 3 City Commercial TIF Fund								40,243	40,243
San Antonio Symphony/Zoo Obligation Project									
Americans w/Disability Act Access Enhancement								4,176	4,176
Better Jobs Expendable Trust Fund								3,801,837	3,801,837
Zoo Concession Area Capital Repair Trust								1	1
ACCD Settlement Education for City Employees Fund								847,045	847,045
ACCD Settlement Advanced Technology Center Fund								778,476	778,476
Prop 3 Habitat Mitigation Fund								3,933	3,933
Special Public Improvement District Fund	140,708	6			39,121		179,835	535,551	715,386
Seminar Operating Fund								7,254	7,254
Lease Purchase Fund									
Park's Recreation Athletic Fund	25,543	804					26,347	975,810	1,002,157
911 District Fund						74,702	75,311		75,311
Tax Clearance Account	191,306	719,267	609			306,642	1,217,215		1,217,215
San Antonio Health Facilities Development Corporation		200					19,593		19,793
San Antonio Industrial Development Authority		200					11,318		11,518
Otto Koehler Park						8,703	8,703		8,703
Child Safety						90,574	90,574		90,574
Soil Remediation					220,000		220,000	167,226	387,226
Official City Store	10,076	7,093	626				17,795	73,455	91,250
Housing Asset Recovery Program	2,700	330,660					333,360	(221,238)	112,122
Tax Increment Financing								871,758	871,758
Enterprise Resource Management Project	63,601	19,715	33,642	22,723			139,681	21,464	161,145
Park Acquisition and Development Fund								47,441	47,441
Equipment Acquisition Fund								21,906	1,729,878
		1,707,972					1,707,972		
<b>TOTAL</b>	<b>\$ 483,119</b>	<b>\$ 2,786,842</b>	<b>\$ 51,144</b>	<b>\$ 36,446</b>	<b>\$ 662,731</b>	<b>\$ 1,094,519</b>	<b>\$ 5,114,801</b>	<b>\$ 12,149,647</b>	<b>\$ 17,264,448</b>

**SPECIAL REVENUE FUNDS  
COMMUNITY SERVICES FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 2002**

MISCELLANEOUS  
REVENUES

	CHARGES FOR CURRENT SERVICES	TAXES	INTERGOV'TL	OTHER	INTEREST	NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	TOTAL MISCELLANEOUS REVENUES	GENERAL GOVERNMENT	PUBLIC SAFETY
Public Library-Other Memorials & Gifts Fund	\$ 0	\$ 0	\$ 0	\$ 69,999	\$ 2,115	\$ (114)	\$ 72,000	\$ 0	\$ 0
Brown Bag Days Fund					5		5		
Carver Community Contribution Fund	111,457			2,191	263	(44)	113,867		
San Antonio Branch Libraries Gift Fund				63,054	2,153	(64)	65,143		
San Antonio Library Foundation Gift Fund				1,222,130	26,493	(1,243)	1,247,380		
San Antonio Friends of the Library Gift Fund				30,637	908	(31)	31,514		
Bexar County Rabies Control			193,716				193,716		
The City's Front Yard Program Fund				19,901	4,641	(244)	24,298		
Market Square San Antonio Cultural Program				8,248	71	(3)	8,316		
San Antonio Downtown Citizens' Beautification Program					8		8		
Child Abuse Prevention Program					11		11		
Martin Luther King Celebration									
Special Art Acquisition & Maintenance Fund					42	(2)	40		
Martin Luther King Scholarships Memorial Fund				1,747	2		1,749		
La Villita Memorials and Gifts					81	(4)	77		
Alamo Foundation Inc. Gift									
Elizabeth Evelyn Beike Testamentary Gift to Oakwell Library					1,066	(56)	1,010		
Commission for Children and Families				5	140	(7)	138		
San Antonio Petroleum Bulk Terminal Operators					101	(5)	96		
City of San Antonio Historic Preservation Fund					466	(25)	441		
Window Tint Meters Gift Fund									147
Officer Neal Mitchell Bike Training Fund					2		2		
Dies Y Seis Celebration				1,900	909	(46)	2,763		
Cellular on Patrol Trust Fund					38	(2)	36		
Woodlawn Lake July 4 Celebration				1,449	4	(3)	1,450		
Miscellaneous Memorials and Gifts Fund					225	(11)	214		
Market Square Improvement Trust Fund	50,000				3,006	(193)	52,813		
Mayor's Conference on Status of Women				5,000			5,000		
San Antonio Literacy Trust Fund					307	(16)	291		
Work/Family Commission Contribution Fund					29	(2)	27		
EMS Bike Response Team Trust Fund					2		2		
Economic Initiative Fund	30,823			373,854			404,677		
San Antonio Public Library-Hertzberg Circus Fund				(3,135)	37	(14)	(3,112)		
San Antonio Public Library-Alice Moore Fund					21	(2)	19		
Knights of Pythias Cemetery Fund					57	(3)	54		
Fire Prevention Week Trust Fund				6,900	51		6,951		4,419
Fire Ladder Truck Buy-In Project					11,312	(3)	11,309		
Victim's Advocacy Trust Fund					76	(4)	72		254
Dwyer Center Rental Income Trust	193,493				4,344	(215)	197,622		
School Zone Flashing Beacons				32,638			32,638		
State Paid Traffic Signals			419,279				419,279		
San Antonio Police Training Program	143,132				4,731	(271)	147,592		113,314
HIIDTA Group Leasing Office	698,601						698,601		723,450
Community Action Program Projects Fund	200			1,530			1,730		
Tree Preservation Mitigation Fund				5,380	572	(29)	5,923		
Police Academy Memorial Plaza Construction					21	(2)	19		
Forensic Mapping System					17	(1)	16		
"C" Fire Technical Rescue Equipment Project				12,152			12,152		11,221
Affordable Housing Trust Fund					1,633	(86)	1,547		
City Holiday Gift Program									
City Volunteer Corp Trust Fund				1,609	6		1,615		
San Antonio Flood Relief Fund				16,289	45		16,334		
TIF 3 City Commercial TIF Fund	21,000				452	(17)	21,435		
San Antonio Symphony/Zoo Obligation Project									
Americans w/Disability Act Access Enhancement					79	(3)	76		
Better Jobs Expendable Trust Fund					78,528	(3,884)	74,644		
Zoo Concession Area Capital Repair Trust	28,066						28,066		
ACCD Settlement Education for City Employees Fund				549,677			549,677	246,111	
ACCD Settlement Advanced Technology Center Fund								2,203,096	
Prop 3 Habitat Mitigation Fund				3,916	17		3,933		
Special Public Improvement District Fund	1,323,804				16,053	(951)	1,338,906		
Seminar Operating Fund					136	(7)	129		
Special Downtown Improvement District									
Lease Purchase Fund						(862)	(862)	62,906	
Park's Recreation Athletic Fund	431,993				19,860	(1,119)	450,734		
911 District Fund	153,523						153,523		154,599
San Antonio Health Facilities Development Corporation					43		43		
San Antonio Industrial Development Authority					129		129		
Otto Koehler Park	117,055				202	(4)	117,253		
Child Safety			1,340,928	405,395	1,993	(105)	1,748,211	130,664	
Soil Remediation				35,000	5,947	(787)	40,160	5,054	
Official City Store	136,186				994	2	137,182		
Housing Asset Recovery Program				80,800	569	(70)	81,299		
Tax Increment Financing		283,594	229,206		4,828	12	517,640		
Enterprise Resource Management Project					363		363	1,854,288	
Park Acquisition and Development Fund				47,079	361	1	47,441		
Equipment Acquisition Fund					21,906		21,906	3,374,152	
<b>TOTAL</b>	<b>\$ 3,439,333</b>	<b>\$ 283,594</b>	<b>\$ 2,183,129</b>	<b>\$ 2,995,345</b>	<b>\$ 218,471</b>	<b>\$ (10,539)</b>	<b>\$ 9,109,333</b>	<b>\$ 7,876,271</b>	<b>\$ 1,007,404</b>

**SPECIAL REVENUE FUNDS**  
**COMMUNITY SERVICES FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

EXPENDITURES							EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	OTHER FINANCING SOURCES (USES)	FUND BALANCES	
PUBLIC WORKS	HEALTH SERVICES	WELFARE	CULTURE AND RECREATION	URBAN REDEVELOPMENT AND HOUSING	ECONOMIC DEVELOPMENT AND OPPORTUNITY	TOTAL EXPENDITURES			10-01-01	09-30-02
\$ 0	\$ 0	\$ 0	\$ 36,789	\$ 0	\$ 0	\$ 36,789	\$ 35,211	\$ 0	\$ 78,424	\$ 113,635
							5		235	240
			134,449			134,449	(20,582)	(39,709)	8,417	(51,874)
			26,800			26,800	38,343	2,085	81,630	122,058
			672,157			672,157	575,223		915,088	1,490,311
			41,660			41,660	(10,146)		39,877	29,731
	199,842					199,842	(6,126)			(6,126)
			50,907			50,907	(26,609)		241,280	214,671
			3,055			3,055	5,261		3,685	8,946
							8		439	447
		(212)				(212)	223		(33,126)	(32,903)
			15,582			15,582	(15,582)	15,000	(22,157)	(22,739)
							40		2,239	2,279
		8,000				8,000	(6,251)		(1,665)	(7,916)
							77		4,247	4,324
									453	453
							1,010		55,898	56,908
							138		7,363	7,501
							96		5,290	5,386
							441		24,298	24,739
						147	(147)		147	
						2		(176)	174	
			11,293			11,293	(8,530)	15,000	48,542	55,012
							36		1,984	2,020
							1,450		(1,772)	(322)
							214	500	11,606	12,320
			74,181			74,181	(21,368)		164,664	143,296
		180				180	4,820			4,820
							291		16,096	16,387
							27		1,508	1,535
							2	(136)	134	
					413,924	413,924	(9,247)		(6,010)	(15,257)
			(6,707)			(6,707)	3,595		(19,528)	(15,933)
			1,062			1,062	(1,043)		1,591	548
							54		2,926	2,980
						4,419	2,532		334	2,866
							11,309	615,000	646,489	1,272,798
						254	(182)		4,035	3,853
		232,391				232,391	(34,769)		225,530	190,761
34,528						34,528	(1,890)		152,019	150,129
459,392						459,392	(40,113)		41,690	1,577
						113,314	34,278	(7,300)	191,607	218,585
						723,450	(24,849)		24,849	
		7,417				7,417	(5,687)		10,970	5,283
			9,963			9,963	(4,040)		29,406	25,366
							19		1,041	1,060
							16		856	872
						11,221	931			931
							1,547		85,617	87,164
			148			148	(148)		24	(124)
			342			342	1,273		(457)	816
		45,185				45,185	(28,851)		41,835	12,984
							21,435		18,808	40,243
			239,552			239,552	(239,552)	239,552		
		200				200	(124)		4,300	4,176
			28,065			28,065	74,644	(500,000)	4,227,193	3,801,837
							1			1
						246,111	303,566		543,479	847,045
						2,203,096	(2,203,096)		2,981,572	778,476
							3,933			3,933
					1,445,440	1,445,440	(106,534)		642,085	535,551
							129		7,125	7,254
						62,906	(63,768)		63,768	
			557,321			557,321	(106,587)		1,082,397	975,810
						154,599	(1,076)		1,076	
	1,445					1,445	(1,402)		20,995	19,593
					1,390	1,390	(1,261)		12,579	11,318
							117,253	(117,253)		
						130,664	1,617,547	(1,617,547)		
						5,054	35,106	(141,445)	273,565	167,226
					138,043	138,043	(861)	(383)	74,699	73,455
				366,310		366,310	(285,011)		63,773	(221,238)
							517,640		354,118	871,758
						1,854,288	(1,853,925)	1,875,389		21,464
							47,441			47,441
						3,374,152	(3,352,246)	3,374,152		21,906
\$ 493,920	\$ 201,287	\$ 293,651	\$ 1,896,129	\$ 366,310	\$ 1,998,797	\$ 14,133,769	\$ (5,024,436)	\$ 3,712,729	\$ 13,461,354	\$ 12,149,647







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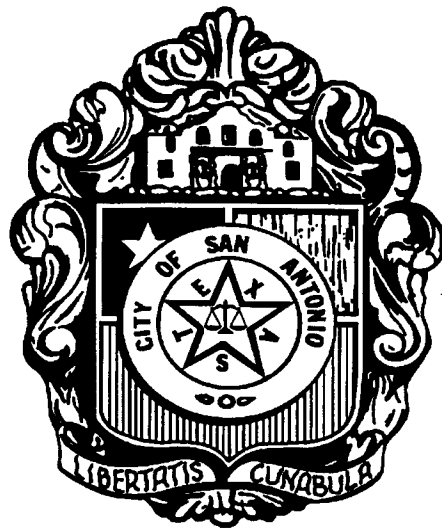
# City of San Antonio Texas

## *Internal Service Funds*

**SELF-INSURANCE PROGRAMS** - to account for Self-Insurance Programs including funds for the administration of all tort claims against the City and for the operation of the City's employee benefit programs. Included in the Self-Insurance Programs are the Insurance Reserve Program, Employee Benefits Program, Workers' Compensation Program, Unemployment Compensation Program, Extended Sick Leave Program, and Employee Wellness Program

**OTHER INTERNAL SERVICES** - to account for financing of goods or services (other than data processing and programming) provided to other departments or agencies. This fund has the following divisions: Central Stores, Motor Pool, Automotive Repair, Temporary Services and Building Maintenance and Repairs. Reserves for Equipment Renewal and Replacement are recorded by charges to the user departments.

**INFORMATION SERVICES** - to account for financing of goods or services provided to other departments or agencies in the field of data processing, programming, and communication services.



**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**AS OF SEPTEMBER 30, 2002**

	<u>INSURANCE RESERVE</u>	<u>EMPLOYEE BENEFITS</u>	<u>WORKERS COMPENSATION</u>	<u>UNEMPLOYMENT COMPENSATION</u>
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ 4,157,718	\$ 305,404	\$ 3,788,432	\$ 110,500
Investments	10,023,999	736,311	9,133,433	266,409
Receivables:				
Other Accounts	1,874	114,527	2,462	
Accrued Interest	38,598		27,060	
Accrued Revenue			3,710	
Due From Other Funds	5,007,030		4,509,117	
Due From Other Governmental Agencies			7,686	
Allowance for Uncollectibles				
Inventories				
Deposits	274,484		36,000	
Total Current Assets	<u>19,503,703</u>	<u>1,156,242</u>	<u>17,507,900</u>	<u>376,909</u>
Property, Plant and Equipment				
Computer Equipment	58,015	67,868	57,298	
Buildings				
Improvements Other than Buildings				
Machinery and Equipment	9,280	45,965	391,363	
Total Property, Plant and Equipment	<u>67,295</u>	<u>113,833</u>	<u>448,661</u>	
Less: Accumulated Depreciation	<u>50,561</u>	<u>76,568</u>	<u>287,371</u>	
Net Property, Plant and Equipment	<u>16,734</u>	<u>37,265</u>	<u>161,290</u>	
Total Assets	<u>19,520,437</u>	<u>1,193,507</u>	<u>17,669,190</u>	<u>376,909</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Vouchers Payable	124,159	952,772	15,854	
Accounts Payable-Other	16,219,707	4,205,653	20,074,214	105,647
Accrued Payroll	21,436	15,088	27,226	
Accrued Leave Payable	8,679	3,288	9,411	
Accrued Interest				
Due to Other Funds		9,000,000		500,000
Total Current Liabilities (Payable from Current Assets)	<u>16,373,981</u>	<u>14,176,801</u>	<u>20,126,705</u>	<u>605,647</u>
Current Liabilities (Payable from Restricted Assets)				
Lease Purchase				
Noncurrent Liabilities				
Accrued Leave Payable	43,394	16,442	47,052	
Lease Purchase				
Due to Other Governmental Agencies				
Total Noncurrent Liabilities	<u>43,394</u>	<u>16,442</u>	<u>47,052</u>	
Total Liabilities	<u>16,417,375</u>	<u>14,193,243</u>	<u>20,173,757</u>	<u>605,647</u>
<b><u>NET ASSETS</u></b>				
Invested In Capital Assets, net of related debt	17,824	37,265	161,290	
Unrestricted	3,085,238	(13,037,001)	(2,665,857)	(228,738)
Total Net Assets	<u>\$ 3,103,062</u>	<u>\$ (12,999,736)</u>	<u>\$ (2,504,567)</u>	<u>\$ (228,738)</u>

**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**AS OF SEPTEMBER 30, 2002**

EXTENDED SICK LEAVE	EMPLOYEE WELLNESS	OTHER INTERNAL SERVICE	INFORMATION SERVICES	TOTAL
\$ 2,527	\$ 37,699	\$ 4,182,847	\$ 661,843	\$ 13,246,970
6,094	90,891	10,889,855	1,601,168	32,748,160
		2,244		121,107
14	108	48,161	1,490	115,431
		3,000		6,710
		12,812,860		22,329,007
1,678		372,974	58,880	441,218
		(142,749)	(23,290)	(166,039)
		1,023,359	683,142	1,706,501
			400,496	710,980
10,313	128,698	29,192,551	3,383,729	71,260,045
	10,202	569,165	4,035,637	4,798,185
		157,635	20,465	178,100
		194,118		194,118
	37,472	96,138,143	773,792	97,396,015
	47,674	97,059,061	4,829,894	102,566,418
	32,815	56,277,600	3,526,747	60,251,662
	14,859	40,781,461	1,303,147	42,314,756
10,313	143,557	69,974,012	4,686,876	113,574,801
	36,881	1,141,967	379,337	2,650,970
	2,560	194,599	358,499	41,160,879
	7,043	230,992	206,162	507,947
	2,832	82,516	73,658	180,384
			2,414	2,414
		12,000	8,514	9,520,514
	49,316	1,662,074	1,028,584	54,023,108
		40,678	329,812	370,490
	14,162	412,578	368,287	901,915
		302	334,697	334,999
			710,754	710,754
	14,162	412,880	1,413,738	1,947,668
	63,478	2,115,632	2,772,134	56,341,266
	14,859	40,740,481	638,638	41,610,357
10,313	65,220	27,117,899	1,276,104	15,623,178
\$ 10,313	\$ 80,079	\$ 67,858,380	\$ 1,914,742	\$ 57,233,535

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	INSURANCE RESERVE	EMPLOYEE BENEFITS	WORKERS COMPENSATION	UNEMPLOYMENT COMPENSATION	EXTENDED SICK LEAVE	EMPLOYEE WELLNESS	OTHER INTERNAL SERVICE	INFORMATION SERVICES	TOTAL
<b>Operating Revenues</b>									
Charges for Services	\$ 3,672,514	\$ 48,930,039	\$ 11,762,378	\$ 245,140	\$ 14,830	\$ 0	\$ 52,336,057	\$ 16,022,097	\$ 132,983,055
Total Operating Revenues	<u>3,672,514</u>	<u>48,930,039</u>	<u>11,762,378</u>	<u>245,140</u>	<u>14,830</u>		<u>52,336,057</u>	<u>16,022,097</u>	<u>132,983,055</u>
<b>Operating Expenses</b>									
Personal Services	1,031,756	718,099	1,368,548		14,392	359,698	16,517,960	10,070,180	30,080,633
Contractual Services	635,789	59,211,449	1,157,719	420,671		405,399	4,276,771	2,907,070	69,014,868
Commodities	12,129	7,729	178,819			15,879	1,169,450	3,729,287	5,113,293
Materials							14,335,133	572,595	14,907,728
Other	9,597,592	483,052	14,845,318			20,142	939,143	461,950	26,347,197
Depreciation	10,162	10,101	39,151			6,446	14,775,118	556,477	15,397,455
Total Operating Expenses	<u>11,287,428</u>	<u>60,430,430</u>	<u>17,589,555</u>	<u>420,671</u>	<u>14,392</u>	<u>807,564</u>	<u>52,013,575</u>	<u>18,297,559</u>	<u>160,861,174</u>
Operating Income (Loss)	<u>(7,614,914)</u>	<u>(11,500,391)</u>	<u>(5,827,177)</u>	<u>(175,531)</u>	<u>438</u>	<u>(807,564)</u>	<u>322,482</u>	<u>(2,275,462)</u>	<u>(27,878,119)</u>
<b>Nonoperating Revenues (Expenses)</b>									
Interest and Other	455,828	4,508	333,527	109	169	495	581,631	18,528	1,394,795
Net (Decrease) in Fair Value of Investments	(26,538)	(1,622)	(21,033)	(12)	(31)	(14)	(27,856)	(2,378)	(79,484)
Other Nonoperating Revenue	2,636,311	332,491	324,873				147,281	3,006	3,443,962
Gain (Loss) on Sale of Fixed Assets	(797)	(7,864)	(38,264)				1,829,289	(78,970)	1,703,394
Interest and Debt Expense							(4,203)	(38,845)	(43,048)
Total Nonoperating Revenues (Expenses)	<u>3,064,804</u>	<u>327,513</u>	<u>599,103</u>	<u>97</u>	<u>138</u>	<u>481</u>	<u>2,526,142</u>	<u>(98,659)</u>	<u>6,419,619</u>
Change in Net Assets Before Contributions and Transfers	<u>(4,550,110)</u>	<u>(11,172,878)</u>	<u>(5,228,074)</u>	<u>(175,434)</u>	<u>576</u>	<u>(807,083)</u>	<u>2,848,624</u>	<u>(2,374,121)</u>	<u>(21,458,500)</u>
<b>Capital Contributions</b>									
Capital Contributions							481,099		481,099
<b>Transfers In (Out)</b>									
Transfers In		3,305,029				830,500	525,425	478,398	5,139,352
Transfers Out	(13,538)	(312,761)	(568,305)			(2,297)	(4,372,611)	(72,895)	(5,342,407)
Total Transfers	<u>(13,538)</u>	<u>2,992,268</u>	<u>(568,305)</u>			<u>828,203</u>	<u>(3,847,186)</u>	<u>405,503</u>	<u>(203,055)</u>
Change In Net Assets	<u>(4,563,648)</u>	<u>(8,180,610)</u>	<u>(5,796,379)</u>	<u>(175,434)</u>	<u>576</u>	<u>21,120</u>	<u>(517,463)</u>	<u>(1,968,618)</u>	<u>(21,180,456)</u>
Net Assets - Beginning	7,666,710	(4,819,126)	3,291,812	(53,304)	9,737	58,959	68,375,843	3,883,360	78,413,991
Net Assets - Ending	<u>\$ 3,103,062</u>	<u>\$ (12,999,736)</u>	<u>\$ (2,504,567)</u>	<u>\$ (228,738)</u>	<u>\$ 10,313</u>	<u>\$ 80,079</u>	<u>\$ 67,858,380</u>	<u>\$ 1,914,742</u>	<u>\$ 57,233,535</u>



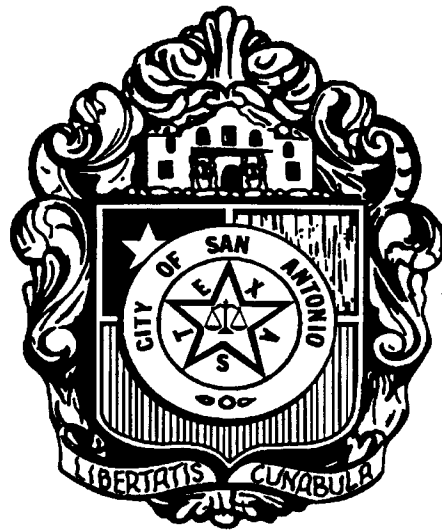
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	INSURANCE RESERVE	EMPLOYEE BENEFITS	WORKERS COMPENSATION
<b><u>Cash Flows from Operating Activities</u></b>			
Cash Received from Customers	\$ 3,453,480	\$ 48,953,582	\$ 11,758,597
Cash Payments to Suppliers for Goods and Services	(12,480,186)	(60,523,210)	(12,414,545)
Cash Payments to Employees for Service	(1,031,723)	(712,029)	(1,338,825)
Other Nonoperating Revenues	2,636,311	332,491	324,873
Net Cash Provided by (Used for) Operating Activities	(7,422,118)	(11,949,166)	(1,669,900)
<b><u>Cash Flows from Non-Capital Financing Activities</u></b>			
Operating Transfers In from Other Funds	(5,007,030)	12,327,878	(4,509,117)
Operating Transfers Out to Other Funds	(13,538)	(312,761)	(568,305)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(5,020,568)	12,015,117	(5,077,422)
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Acquisitions and Construction of Capital Asset	(3,377)		(109,139)
Principal Payments on Long-term Debt			
Interest Paid on Long-term Debt			
Principal Payments on Notes			
Interest Paid on Notes			
Proceeds from Sale of Assets			
Net Cash (Used for) Capital and Related Financing Activities	(3,377)		(109,139)
<b><u>Cash Flows from Investing Activities:</u></b>			
Purchases of Investment Securities	(45,580,821)	(3,348,130)	(41,531,265)
Maturity of Investment Securities	49,378,806	3,375,563	42,713,262
Interest on Notes			
Interest on Investments	557,654	7,801	409,244
Net Cash Provided by (Used for) Investing Activities	4,355,639	35,234	1,591,241
Net Increase (Decrease) in Cash and Cash Equivalents	(8,090,424)	101,185	(5,265,220)
Cash and Cash Equivalents, October 1	12,248,142	204,219	9,053,652
<b><u>Cash and Cash Equivalents, September 30</u></b>	<b>\$ 4,157,718</b>	<b>\$ 305,404</b>	<b>\$ 3,788,432</b>
<b><u>Reconciliation of Operating Income to Net Cash</u></b>			
<b><u>Provided by Operating Activities</u></b>			
Operating Income (Loss)	\$ (7,614,914)	\$ (11,500,391)	\$ (5,827,177)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	10,162	10,101	39,151
Other Nonoperating Revenues	2,636,311	332,491	324,873
Changes in Assets and Liabilities:			
(Increase) Decrease In Other Accounts Receivable	(467)	(27,064)	(1,975)
Decrease In Allowance for Uncollectibles			
(Increase) Decrease In Accrued Revenues		50,607	(1,806)
Decrease In Due from Other Funds			
(Increase) Decrease In Due from Other Gov'tl Agencies			
Decrease In Inventories			
(Increase) Decrease In Deposits	(218,567)		
Increase (Decrease) In Vouchers Payable	79,361	218,774	(35,963)
Increase (Decrease) In Other Payables	(2,314,037)	(1,039,754)	3,803,274
Increase In Due to Other Funds			
Increase (Decrease) In Accrued Payroll	3,500	3,368	6,761
Increase (Decrease) In Accrued Leave Payable	(3,467)	2,702	22,962
<b><u>Net Cash Provided by Operating Activities</u></b>	<b>\$ (7,422,118)</b>	<b>\$ (11,949,166)</b>	<b>\$ (1,669,900)</b>
<b><u>Noncash Investing, Capital and Financing Activities:</u></b>			
Net (Decrease) in Fair Value of Investments	\$ (26,538)	\$ (1,622)	\$ (21,033)

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

UNEMPLOYMENT COMPENSATION	EXTENDED SICK LEAVE	EMPLOYEE WELLNESS	OTHER INTERNAL SERVICE	INFORMATION SERVICES	TOTAL
\$ 245,140 (399,884)	\$ 14,830  (14,392)	\$ 0 (437,992) (348,645)	\$ 52,431,092 (20,805,077) (16,395,644) 147,281 15,377,652	\$ 16,310,196 (7,358,519) (10,244,261) 3,006 (1,289,578)	\$ 133,166,917 (114,419,413) (30,085,519) 3,443,962 (7,894,053)
<u>(154,744)</u>	<u>438</u>	<u>(786,637)</u>			
	1,679	830,500	825,425	478,398	4,947,733
500,000		(2,297)	(18,069,392)	(72,895)	(18,539,188)
<u>500,000</u>	<u>1,679</u>	<u>828,203</u>	<u>(17,243,967)</u>	<u>405,503</u>	<u>(13,591,455)</u>
		(10,795)	(15,720,413) (99,183) (4,203)	(123,745)	(15,967,469) (99,183) (4,203)
				(315,165) (40,683)	(315,165) (40,683)
			2,518,747	2,701	2,521,448
		<u>(10,795)</u>	<u>(13,305,052)</u>	<u>(476,892)</u>	<u>(13,905,255)</u>
(1,211,405) 961,725	(27,709) 24,949	(413,294) 371,855	(49,518,013) 54,316,633 17,411	(7,280,783) 7,645,213	(148,911,420) 158,788,006 17,411
<u>114</u>	<u>193</u>	<u>471</u>	<u>663,797</u>	<u>28,859</u>	<u>1,668,133</u>
<u>(249,566)</u>	<u>(2,567)</u>	<u>(40,968)</u>	<u>5,479,828</u>	<u>393,289</u>	<u>11,562,130</u>
95,690	(450)	(10,197)	(9,691,539)	(967,678)	(23,828,633)
<u>14,810</u>	<u>2,977</u>	<u>47,896</u>	<u>13,874,386</u>	<u>1,629,521</u>	<u>37,075,603</u>
<u>\$ 110,500</u>	<u>\$ 2,527</u>	<u>\$ 37,699</u>	<u>\$ 4,182,847</u>	<u>\$ 661,843</u>	<u>\$ 13,246,970</u>
\$ (175,531)	\$ 438	\$ (807,564)	\$ 322,482	\$ (2,275,462)	\$ (27,878,119)
		6,446	14,775,118 147,281	556,477 3,006	15,397,455 3,443,962
			28	2,399	(27,079)
			142,749	23,290	166,039
			(2,223)		46,578
			97,992	119,303	217,295
			(57,519)	134,593	77,074
			51,412	313,474	364,886
				296,611	78,044
		9,806	(107,585)	84,328	248,721
20,787		(6,378)	(126,399)	(382,030)	(44,537)
			12,000	8,514	20,514
		1,346	(50,154)	37,184	2,005
		9,707	172,470	(211,265)	(6,891)
<u>\$ (154,744)</u>	<u>\$ 438</u>	<u>\$ (786,637)</u>	<u>\$ 15,377,652</u>	<u>\$ (1,289,578)</u>	<u>\$ (7,894,053)</u>
\$ (12)	\$ (31)	\$ (14)	\$ (27,856)	\$ (2,378)	\$ (79,484)







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# City of San Antonio Texas

## *Fiduciary Funds*

*Trust Funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.*

***FIRE AND POLICE PENSION AND HEALTH CARE FUND*** - to account for resources of the pension and health care fund established for the City's firefighters and police officers, as provided for under state law and the respective collective bargaining agreements.

*FIRE AND POLICE PENSION FUND* - to account for resources of the pension fund established for the City's firefighters and police officers, as provided for under state law.

*FIRE AND POLICE RETIREE HEALTH CARE FUND* - to account for the collection and payment of funds for health care benefits of the City's firefighters and police officers who retired after October 1, 1989, as provided for under state law and the respective collective bargaining agreements.

***PRIVATE PURPOSE TRUST FUNDS*** - to account for all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. The City has established the following private purpose trust funds based upon the above definition:

*EMPLOYEE ASSISTANCE FUND* - to account for collections and disbursements made to eligible employees experiencing financial difficulties. Financing is provided by contributions and funds raised through special events.

*EMPLOYEE SCHOLARSHIP FUND* - to account for funds awarded as scholarships to eligible employees and their dependents. Financing is provided by contributions and funds raised through special events.

*SAN ANTONIO LITERACY PROGRAM* - to account for funds that have restrictions specified by private citizens. Financing is provided by contributions from private citizens.

***AGENCY FUNDS*** - to account for funds which are custodial in nature and for which the City is acting as an agent. The City has established the following agency funds based upon the above definition:

*DEPOSIT FUND* - to account for the collection and payment of cash deposits held by the City pending the outcome of bids on contracts.

*UNCLAIMED PROPERTY FUND* - to account for the collection and administration of unclaimed property in accordance with the Texas Property Code - Title 6.

## ***Fiduciary Funds (continued)***

### ***AGENCY FUNDS (continued)***

*STATE AND CITY SALES TAX FUND - to account for the collection and payment to the State of Texas for sales tax collected.*

*MUNICIPAL COURT CASH BOND FUND - to account for the collection and payment of Court Cash Bonds held by the City pending the outcome of court cases.*

*CRIMINAL JUSTICE PLANNING FUND - to account for the collection and payment to the State of Texas for Law Enforcement Fees collected.*

*LESSEE'S SPECIAL EVENTS LIABILITY INSURANCE - to account for funds utilized for the purchase of insurance coverage on special events. Financing is provided by contributions from lessees.*

*SPECIAL EVENTS SECURITY TRUST FUND - to account for collection and payment of funds pertaining to security provided at events held on City property. Financing is provided by users.*

*BEXAR COUNTY HOTEL/MOTEL TAX COLLECTION FUND - to account for the collection and payment to Bexar County for certain hotel occupancy taxes.*

*SINGLE PURPOSE NON-PROFIT FUND - to account for the provision of a Health Maintenance Organization Medical Coverage under the City's Self-Funded Health Benefits Program with Community First Health Plans, Inc.*

*CVB HOUSING BUREAU FUND – to account for individual hotel reservation deposits maintained by Convention & Visitors Bureau staff for confirmed City-wide conventions.*

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIRE AND POLICE PENSION AND HEALTH CARE FUNDS**  
**AS OF SEPTEMBER 30, 2002**

	FIRE AND POLICE PENSION FUND	FIRE AND POLICE RETIREE HEALTH CARE FUND	TOTAL
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 64,634,921	\$ 6,564,356	\$ 71,199,277
Security Lending Collateral	125,234,838		125,234,838
Investments, at fair value:			
US Government and Agency Issues	140,574,442	6,591,946	147,166,388
Corporate Bonds	134,384,072	6,454,072	140,838,144
Preferred Common Stock	562,688,178	49,594,106	612,282,284
Other	254,607,649	15,116,566	269,724,215
Total Investments, at fair value:	1,092,254,341	77,756,690	1,170,011,031
Receivables:			
Other Accounts	11,348,150		11,348,150
Accrued Interest	6,206,161	324,265	6,530,426
Accrued Revenue	565,869		565,869
Prepayments		13,372	13,372
Total Current Assets	1,300,244,280	84,658,683	1,384,902,963
<u>Capital Assets</u>			
Computer Equipment	76,138		76,138
Buildings	556,586		556,586
Total Capital Assets	632,724		632,724
Less: Accumulated Depreciation	(277,872)		(277,872)
Net Capital Assets	354,852		354,852
Total Assets	1,300,599,132	84,658,683	1,385,257,815
<u>LIABILITIES</u>			
Vouchers Payable	1,165,058	167,358	1,332,416
Accounts Payable- Other	32,277,026	889,267	33,166,293
Accrued Payroll	37,992		37,992
Securities Lending	125,234,838		125,234,838
Total Liabilities	158,714,914	1,056,625	159,771,539
<u>NET ASSETS</u>			
Held in Trust for Pension Benefits and Other Purposes	\$ 1,141,884,218	\$ 83,602,058	\$ 1,225,486,276

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIRE AND POLICE PENSION AND HEALTH CARE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	FIRE AND POLICE PENSION FUND	FIRE AND POLICE RETIREE HEALTH CARE FUND	TOTAL
<b><u>ADDITIONS:</u></b>			
Contributions:			
Employer	\$ 43,615,254	\$ 15,353,802	\$ 58,969,056
Employee	21,807,627	1,222,216	23,029,843
Total Contributions	<u>65,422,881</u>	<u>16,576,018</u>	<u>81,998,899</u>
Investment Earnings:			
Net (Decrease) in Fair Value of Investments	(146,061,768)	(8,774,503)	(154,836,271)
Real Estate Income, net	180,216		180,216
Interest and Dividends	31,011,719	2,518,232	33,529,951
Securities Lending	2,394,392		2,394,392
Other Income	221,825	64,448	286,273
Total Investment Earnings	<u>(112,253,616)</u>	<u>(6,191,823)</u>	<u>(118,445,439)</u>
Less Investment Expenses:			
Investment Management Fees and Custodian Fees	(4,390,168)	(645,361)	(5,035,529)
Securities Lending Expenses:			
Borrower Rebates	(1,873,906)		(1,873,906)
Lending Fees	(181,086)		(181,086)
Net Investment Income	<u>(118,698,776)</u>	<u>(6,837,184)</u>	<u>(125,535,960)</u>
Total Additions	<u>(53,275,895)</u>	<u>9,738,834</u>	<u>(43,537,061)</u>
<b><u>DEDUCTIONS:</u></b>			
Benefits	62,699,110	7,006,921	69,706,031
Refunds of Contributions	501,119		501,119
Administrative Expense	688,596	370,843	1,059,439
Salaries, Wage and Employee Benefits	527,726	85,752	613,478
Total Deductions	<u>64,416,551</u>	<u>7,463,516</u>	<u>71,880,067</u>
Change in Net Assets	(117,692,446)	2,275,318	(115,417,128)
Net assets - Beginning of Year	1,259,576,664	81,326,740	1,340,903,404
Net assets - End of Year	<u>\$ 1,141,884,218</u>	<u>\$ 83,602,058</u>	<u>\$ 1,225,486,276</u>

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**AS OF SEPTEMBER 30, 2002**

<u>ASSETS</u>	PRIVATE PURPOSE TRUST FUNDS			TOTAL
	EMPLOYEE ASSISTANCE PROGRAM	EMPLOYEE SCHOLARSHIP FUND	SAN ANTONIO LITERACY PROGRAM	
Cash and Cash Equivalents	\$ 2,664	\$ 432	\$ 8,112	\$ 11,208
Investments, at fair value	6,422	1,042	19,558	27,022
Receivables:				
Accrued Interest	15	2	33	50
Total Assets	<u>9,101</u>	<u>1,476</u>	<u>27,703</u>	<u>38,280</u>
<u>LIABILITIES</u>				
Vouchers Payable			3,495	3,495
Accounts Payable- Other			95	95
Total Liabilities			<u>3,590</u>	<u>3,590</u>
<u>NET ASSETS</u>				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 9,101</u>	<u>\$ 1,476</u>	<u>\$ 24,113</u>	<u>\$ 34,690</u>

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	BALANCE 10-01-01	ADDITIONS	DELETIONS	BALANCE 9-30-02
<b><u>Employee Assistance Program</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 4,174	\$ 194	\$ 1,704	\$ 2,664
Investments	4,718	1,704		6,422
Receivables:				
Accrued Interest	48	373	406	15
<u>Total Assets</u>	<u>\$ 8,940</u>	<u>\$ 2,271</u>	<u>\$ 2,110</u>	<u>\$ 9,101</u>
<u>Liabilities</u>				
<u>Total Liabilities</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Net Assets</u>	<u>\$ 8,940</u>	<u>\$ 2,271</u>	<u>\$ 2,110</u>	<u>\$ 9,101</u>
<b><u>Employee Scholarship Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 677	\$ 31	\$ 276	\$ 432
Investments	765	277		1,042
Receivables:				
Accrued Interest	8	60	66	2
<u>Total Assets</u>	<u>\$ 1,450</u>	<u>\$ 368</u>	<u>\$ 342</u>	<u>\$ 1,476</u>
<u>Liabilities</u>				
<u>Total Liabilities</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Net Assets</u>	<u>\$ 1,450</u>	<u>\$ 368</u>	<u>\$ 342</u>	<u>\$ 1,476</u>
<b><u>San Antonio Literacy Program</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 8,758	\$ 25,396	\$ 26,042	\$ 8,112
Investments	9,899	9,659		19,558
Receivables:				
Accrued Interest	59	666	692	33
<u>Total Assets</u>	<u>\$ 18,716</u>	<u>\$ 35,721</u>	<u>\$ 26,734</u>	<u>\$ 27,703</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 4,299	\$ 12,387	\$ 13,191	\$ 3,495
Accounts Payable-Other	40	95	40	95
<u>Total Liabilities</u>	<u>4,339</u>	<u>12,482</u>	<u>13,231</u>	<u>3,590</u>
<u>Net Assets</u>	<u>\$ 14,377</u>	<u>\$ 23,239</u>	<u>\$ 13,503</u>	<u>\$ 24,113</u>

(Cont'd)

**PRIVATE PURPOSE TRUST FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	BALANCE 10-01-01	ADDITIONS	DELETIONS	BALANCE 9-30-02
<b><u>Total Private Purpose Trust Funds</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 13,609	\$ 25,621	\$ 28,022	\$ 11,208
Investments	15,382	11,640	0	27,022
Receivables:				
Accrued Interest	115	1,099	1,164	50
<u>Total Assets</u>	<u>\$ 29,106</u>	<u>\$ 38,360</u>	<u>\$ 29,186</u>	<u>\$ 38,280</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 4,299	\$ 12,387	\$ 13,191	\$ 3,495
Accounts Payable-Other	40	95	40	95
<u>Total Liabilities</u>	<u>4,339</u>	<u>12,482</u>	<u>13,231</u>	<u>3,590</u>
<u>Net Assets</u>	<u>\$ 24,767</u>	<u>\$ 25,878</u>	<u>\$ 15,955</u>	<u>\$ 34,690</u>

(end of statement)



— CITY OF SAN ANTONIO, TEXAS —

**COMBINING BALANCE SHEET**

**AGENCY FUNDS**

**AS OF SEPTEMBER 30, 2002**

FUNDS	ASSETS					TOTAL ASSETS
	CASH AND CASH EQUIVALENTS	INVESTMENTS	RECEIVABLES			
			OTHER ACCOUNTS	ACCRUED INTEREST		
Deposit Fund	\$ 2,356,611	\$ 0	\$ 0	\$ 0	\$ 2,356,611	
Unclaimed Property Fund	1,036,563			1,648	1,038,211	
State and City Sales Tax Fund	145,611				145,611	
Municipal Court Cash Bond Fund	110,613				110,613	
Criminal Justice Planning Fund	1,668,925				1,668,925	
Lessee's Special Events Liability Insurance	12,598				12,598	
Special Events Security Trust Fund	695,274		284,325		284,325	
Bexar County Hotel/Motel Tax Collections Fund	1,398,383				695,274	
Single Purpose Non-Profit Fund	21,736	52,405		42	1,398,383	
CVB Housing Bureau					74,183	
Total	\$ 7,446,314	\$ 52,405	\$ 284,325	\$ 1,690	\$ 7,784,734	

(Cont'd)

— CITY OF SAN ANTONIO, TEXAS —

**COMBINING BALANCE SHEET**

**AGENCY FUNDS**

**AS OF SEPTEMBER 30, 2002**

	LIABILITIES					TOTAL LIABILITIES
	VOUCHERS PAYABLE	ACCOUNTS PAYABLE	ACCRUED PAYROLL	DUE TO OTHER FUNDS		
		OTHER				
FUNDS						
Deposit Fund	\$ 30,374	\$ 2,326,237	\$ 0	\$ 0	\$	2,356,611
Unclaimed Property Fund	748	1,037,463				1,038,211
State and City Sales Tax Fund	8	85,693		59,910		145,611
Municipal Court Cash Bond Fund		110,613				110,613
Criminal Justice Planning Fund	1,002	1,667,923				1,668,925
Lessee's Special Events Liability Insurance	6,005	6,593	27	284,298		12,598
Special Events Security Trust Fund						284,325
Bexar County Hotel/Motel Tax Collections Fund	1,398,383	695,274				695,274
Single Purpose Non-Profit Fund	11,237	62,946				1,398,383
CVB Housing Bureau						74,183
Total	\$ 1,447,757	\$ 5,992,742	\$ 27	\$ 344,208	\$	7,784,734

(end of statement)

## — CITY OF SAN ANTONIO, TEXAS —

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	BALANCE 10-01-01	ADDITIONS	DEDUCTIONS	BALANCE 09-30-02
<b><u>Deposit Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,004,638	\$ 1,060,380	\$ 708,407	\$ 2,356,611
<u>Liabilities</u>				
Vouchers Payable	\$ 63,086	\$ 674,940	\$ 707,652	\$ 30,374
Accounts Payable-Other	1,941,552	1,060,380	675,695	2,326,237
<u>Total Liabilities</u>	<u>\$ 2,004,638</u>	<u>\$ 1,735,320</u>	<u>\$ 1,383,347</u>	<u>\$ 2,356,611</u>
<b><u>Unclaimed Property Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 955,631	\$ 213,131	\$ 132,199	\$ 1,036,563
Receivables:				
Accrued Interest	4,949	40,159	43,460	1,648
<u>Total Assets</u>	<u>\$ 960,580</u>	<u>\$ 253,290</u>	<u>\$ 175,659</u>	<u>\$ 1,038,211</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 36,329	\$ 35,581	\$ 748
Accounts Payable-Other	960,580	208,637	131,754	1,037,463
<u>Total Liabilities</u>	<u>\$ 960,580</u>	<u>\$ 244,966</u>	<u>\$ 167,335</u>	<u>\$ 1,038,211</u>
<b><u>State and City Sales Tax Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 157,353	\$ 5,352,876	\$ 5,364,618	\$ 145,611
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 4,631,070	\$ 4,631,062	\$ 8
Accounts Payable-Other	157,353	5,292,966	5,364,626	85,693
Due to Other Funds		59,910		59,910
<u>Total Liabilities</u>	<u>\$ 157,353</u>	<u>\$ 9,983,946</u>	<u>\$ 9,995,688</u>	<u>\$ 145,611</u>
<b><u>Municipal Court Cash Bond Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 119,070	\$ 138,942	\$ 147,399	\$ 110,613
<u>Liabilities</u>				
Accounts Payable-Other	\$ 119,070	\$ 138,942	\$ 147,399	\$ 110,613

(Cont'd)

## — CITY OF SAN ANTONIO, TEXAS —

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	BALANCE 10-01-01	ADDITIONS	DEDUCTIONS	BALANCE 09-30-02
<b><u>Criminal Justice Planning Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,686,677	\$ 6,648,604	\$ 6,666,356	\$ 1,668,925
<u>Liabilities</u>				
Vouchers Payable	\$ 214	\$ 4,955,964	\$ 4,955,176	\$ 1,002
Accounts Payable-Other	1,686,463	6,648,603	6,667,143	1,667,923
<u>Total Liabilities</u>	<u>\$ 1,686,677</u>	<u>\$ 11,604,567</u>	<u>\$ 11,622,319</u>	<u>\$ 1,668,925</u>
<b><u>Lessee's Special Events Liability Insurance</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 7,664	\$ 36,354	\$ 31,420	\$ 12,598
Prepayments	1,000		1,000	
<u>Total Assets</u>	<u>\$ 8,664</u>	<u>\$ 36,354</u>	<u>\$ 32,420</u>	<u>\$ 12,598</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 8,664	\$ 37,425	\$ 31,420	\$ 6,005
Accounts Payable-Other		35,354	37,425	6,593
<u>Total Liabilities</u>	<u>\$ 8,664</u>	<u>\$ 72,779</u>	<u>\$ 68,845</u>	<u>\$ 12,598</u>
<b><u>Special Events Security Trust Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 0	\$ 1,615,664	\$ 1,615,664	\$ 0
Receivables:				
Other Accounts	338,867	1,319,307	1,373,849	284,325
<u>Total Assets</u>	<u>\$ 338,867</u>	<u>\$ 2,934,971</u>	<u>\$ 2,989,513</u>	<u>\$ 284,325</u>
<u>Liabilities</u>				
Accrued Payroll	\$ 43,064	\$ 0	\$ 43,037	\$ 27
Due To Other Funds	295,803		11,505	284,298
<u>Total Liabilities</u>	<u>\$ 338,867</u>	<u>\$ 0</u>	<u>\$ 54,542</u>	<u>\$ 284,325</u>
<b><u>Bexar County Hotel/Motel Tax Collections Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 709,341	\$ 19,100,499	\$ 19,114,566	\$ 695,274
<u>Liabilities</u>				
Accounts Payable-Other	\$ 709,341	\$ 9,014,539	\$ 9,028,606	\$ 695,274

(Cont'd)

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	BALANCE 10-01-01	ADDITIONS	DEDUCTIONS	BALANCE 09-30-02
<b><u>Single Purpose Non-Profit Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 823,201	\$ 14,285,354	\$ 13,710,172	\$ 1,398,383
<u>Liabilities</u>				
Vouchers Payable	\$ 823,201	\$ 14,285,354	\$ 13,710,172	\$ 1,398,383
<b><u>CVB Housing Bureau</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 0	\$ 91,691	\$ 69,955	\$ 21,736
Investments		52,405		52,405
Receivables:				
Accrued Interest		46	4	42
<u>Total Assets</u>	<u>\$ 0</u>	<u>\$ 144,142</u>	<u>\$ 69,959</u>	<u>\$ 74,183</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 28,787	\$ 17,550	\$ 11,237
Accounts Payable-Other		91,733	28,787	62,946
<u>Total Liabilities</u>	<u>\$ 0</u>	<u>\$ 120,520</u>	<u>\$ 46,337</u>	<u>\$ 74,183</u>
<b><u>Total All Agency Funds</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 6,463,575	\$ 48,543,495	\$ 47,560,756	\$ 7,446,314
Investments		52,405		52,405
Receivables:				
Other Accounts	338,867	1,319,307	1,373,849	284,325
Accrued Interest	4,949	40,205	43,464	1,690
Prepayments	1,000		1,000	
<u>Total Assets</u>	<u>\$ 6,808,391</u>	<u>\$ 49,955,412</u>	<u>\$ 48,979,069</u>	<u>\$ 7,784,734</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 886,501	\$ 24,649,869	\$ 24,088,613	\$ 1,447,757
Accounts Payable-Other	5,583,023	22,491,154	22,081,435	5,992,742
Accrued Payroll	43,064		43,037	27
Due to Other Funds	295,803	59,910	11,505	344,208
<u>Total Liabilities</u>	<u>\$ 6,808,391</u>	<u>\$ 47,200,933</u>	<u>\$ 46,224,590</u>	<u>\$ 7,784,734</u>
				(end of statement)



# **City of San Antonio Texas**

## ***Non-Major Component Units***

*As set forth in GASB Statement Number 14, "The Reporting Entity", Component Units which by the nature and significance of their relationship with the City is such that their exclusion from the reporting entity's financial statements would be misleading or incomplete and as such are presented discretely with the City's financial statements.*

*The City has determined that the following component units meet the criteria for discrete presentation as set forth in GASB Statement Number 14:*

**SAN ANTONIO DEVELOPMENT AGENCY (SADA)** - SADA is responsible for implementing the City's Urban Renewal Program. A majority of the financing is provided from the City in the form of pass-through grants.

**CITY OF SAN ANTONIO EDUCATION FACILITIES CORPORATION (SAEFC)** - SAEFC, formerly the San Antonio Higher Education Authority, was established in accordance with state law for the purpose of aiding non-profit institutions of higher education in providing educational facilities and housing facilities. The corporation is authorized to issue revenue bonds for said purposes on behalf of the City but the bonds are not obligations of the City.

**GREATER KELLY DEVELOPMENT AUTHORITY (GKDA)** - GKDA was established for the purpose of monitoring the proposed closing of Kelly Air Force Base (Kelly) and formulating and adopting a comprehensive plan for the conversion and redevelopment of Kelly. The authority is authorized to issue bonds to finance related projects but the bonds are not obligations of the City.

**SAN ANTONIO HOUSING TRUST FOUNDATION, INC. (SAHTF)** - SAHTF is a non-profit corporation established in 1990 for the purpose of supporting charitable, educational, and scientific undertakings, specifically for providing housing for low and middle income families. In addition, the corporation provides administrative and other support for the operations of the San Antonio Housing Trust Fund, an Expendable Trust Fund of the City.

**SAN ANTONIO LOCAL DEVELOPMENT COMPANY (SALDC)** - SALDC is a non-profit corporation under agreement with the City which administers programs that provide qualifying local businesses with loans. Loan funds administered by SALDC include the Neighborhood Business Revitalization Program, U.S. Department of Commerce Title IX Revolving Loan Fund, Small Business Administration Microloan Program, and a Housing and Urban Development 108 Fund.

**BROOKS DEVELOPMENT AUTHORITY (BDA)** - BDA was designed to improve mission effectiveness, reduce the cost of providing quality installation support, and promote economic development on Brooks Air Force Base and in the surrounding community. Dedicated funds will provide basic municipal services at the base while continuing to develop it as a technology and business park.

**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR COMPONENT UNITS**  
**AS OF SEPTEMBER 30, 2002**

ASSETS	SAN ANTONIO DEVELOPMENT AGENCY	SAN ANTONIO EDUCATION FACILITIES CORPORATION	GREATER KELLY DEVELOPMENT AUTHORITY	SAN ANTONIO HOUSING TRUST FOUNDATION INC.	SAN ANTONIO LOCAL DEVELOPMENT COMPANY	BROOKS DEVELOPMENT AUTHORITY	TOTAL
<u>Current Assets:</u>							
Cash and Cash Equivalents	\$ 550,783	\$ 52,701	\$ 7,331,785	\$ 1,223,163	\$ 1,839,255	\$ 7,241,884	\$ 18,239,571
Investments	65,000		4,009,647				4,074,647
<u>Receivables:</u>							
Notes	535,915		6,615,763	3,474,659	4,370,245	414,870	15,411,452
Other Accounts	17,166		3,183,674	517,129	3,120		3,721,089
Accrued Interest				85,221	17,526		102,747
Due from Other Governmental Agencies			1,824,686		47,998		1,872,684
Prepaid Expenses	452,978			4,583		261,103	718,664
Total Current Assets	1,621,842	52,701	22,965,555	5,304,755	6,278,144	7,917,857	44,140,854
<u>Restricted Assets:</u>							
Other Restricted Accounts:							
Cash and Cash Equivalents			1,801,926			5,716,000	1,801,926
Receivables						5,716,000	5,716,000
Total Restricted Assets			1,801,926			5,716,000	7,517,926
<u>Capital Assets:</u>							
Land	427,902		4,969,799			4,999,247	10,396,948
Infrastructure			31,146,372			5,418,063	36,564,435
Buildings			99,250,741			47,706,302	146,957,043
Machinery and Equipment	162,555	824	1,341,917	3,500	17,338	904,552	2,430,686
Construction in Progress			951,666			50,380	1,002,046
Total	590,457	824	137,660,495	3,500	17,338	59,078,544	197,351,158
Less: Accumulated Depreciation	139,011		9,184,239		6,817	856,991	10,187,058
Net Capital Assets	451,446	824	128,476,256	3,500	10,521	58,221,553	187,164,100
Total Assets	\$ 2,073,288	\$ 53,525	\$ 153,243,737	\$ 5,308,255	\$ 6,288,665	\$ 71,855,410	\$ 238,822,880
<u>LIABILITIES</u>							
<u>Current Liabilities:</u>							
Accounts Payable and Other Current Liabilities	312,595	1,400	7,506,933	9,672	223,875	1,392,397	9,446,872
Deferred Revenues			130,360				130,360
Notes Payable			3,453,572	659,475	172,263		3,625,835
Due to Other Governmental Agencies			1,886,381				2,545,856
Total Current Liabilities (Payable from Current Assets)	312,595	1,400	12,977,246	669,147	396,138	1,392,397	15,748,923
<u>Current Liabilities (Payable from Restricted Assets):</u>							
Other Payables						505,079	505,079
<u>Noncurrent Liabilities:</u>							
Long-Term Lease/Notes Payable			31,064,400		1,019,877	49,125,643	81,209,920
Other Payables						6,077,000	6,077,000
Total Noncurrent Liabilities			31,064,400		1,019,877	55,202,643	87,286,920
Total Liabilities	312,595	1,400	44,041,646	669,147	1,416,015	57,100,119	103,540,922
<u>NET ASSETS</u>							
Invested in Capital Assets,							
net of related debt	307,446	824	94,271,604		10,521		94,590,395
Restricted for Renewal and Replacement			845,774		126,542		972,316
Restricted for Debt Service			610,188	4,316,510			4,926,698
Unrestricted	1,453,247	51,301	13,474,525	322,598	4,735,587	14,755,291	34,792,549
Total Net Assets	\$ 1,760,693	\$ 52,125	\$ 109,202,091	\$ 4,639,108	\$ 4,872,650	\$ 14,755,291	\$ 135,281,958

— CITY OF SAN ANTONIO, TEXAS —

COMBINING STATEMENT OF ACTIVITIES  
NONMAJOR COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Program Revenues		Net (Expense) Revenue and Changes In Net Assets							TOTAL
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	SAN ANTONIO DEVELOPMENT AGENCY	SAN ANTONIO EDUCATION FACILITIES CORPORATION	GREATER KELLY DEVELOPMENT AUTHORITY	SAN ANTONIO HOUSING TRUST FOUNDATION INC.	SAN ANTONIO LOCAL DEVELOPMENT COMPANY	BROOKS DEVELOPMENT AUTHORITY	
San Antonio Development Agency Urban Redevelopment and Housing	\$ 3,331,001	\$ 1,954,120	\$ 0	\$ (1,376,881)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,376,881)
San Antonio Higher Education Authority Economic Development and Opportunity	2,590	2,500			(90)					(90)
Greater Kelly Development Authority Economic Development and Opportunity	28,353,953	21,659,316	1,929,845			(4,764,792)				(4,764,792)
San Antonio Housing Trust Foundation, Inc. Urban Redevelopment and Housing	677,863	624,896					(52,967)			(52,967)
San Antonio Local Development Company Economic Development and Opportunity	718,388	1,041,513						323,125		323,125
Brooks Development Authority Economic Development and Opportunity	5,919,774	6,121,205	14,550,159						14,751,590	14,751,590
Total	\$ 39,003,569	\$ 31,403,550	\$ 16,480,004	\$ (1,376,881)	\$ (90)	\$ (4,764,792)	\$ (52,967)	\$ 323,125	\$ 14,751,590	\$ 8,879,985
General Revenues:										
Investment Earnings				19,839	598	296,114	106,517			423,068
Miscellaneous						6,778,303			3,701	6,782,004
Total General Revenues				19,839	598	7,074,417	106,517		3,701	7,205,072
Change in Net Assets				(1,357,042)	508	2,309,625	53,550	323,125	14,755,291	16,085,057
Net Assets - Beginning				3,117,735	51,617	106,892,466	4,585,558	4,549,525		119,196,901
Net Assets - Ending				\$ 1,760,693	\$ 52,125	\$ 109,202,091	\$ 4,639,108	\$ 4,872,650	\$ 14,755,291	\$ 135,281,958





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***City of San Antonio  
Texas***

***Capital Assets Used in Operation of Governmental Funds***

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CAPITAL ASSETS BY SOURCE<sup>1</sup>**  
**SEPTEMBER 30, 2002**

<u>Governmental Funds Capital Assets:</u>	2002
Land	\$ 1,215,390,601
Buildings	367,649,516
Improvements Other Than Buildings	59,394,811
Infrastructures	1,939,299,606
General City Equipment	48,499,141
Construction in Progress	524,898,009
Total Governmental Funds Capital Assets	<u>\$ 4,155,131,684</u>
<u>Investment in Governmental Funds Capital Assets by Source:</u>	
Current Revenue	\$ 2,008,736,227
General Obligation Bonds and Certificates of Obligation	1,624,738,325
Special Revenue Bonds	15,000
Federal and State Grants	495,026,814
Special Assessments	1,007,709
Trusts	117,861
Private Citizens' Contribution	20,947,041
San Antonio Fair Inc.	4,542,707
Total Investment in Governmental Funds Capital Assets by Source	<u>\$ 4,155,131,684</u>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS****SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY<sup>1</sup>****SEPTEMBER 30, 2002**

	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	INFRA- STRUCTURE	GENERAL CITY EQUIPMENT	TOTAL
<u>General Government</u>						
Legislative	\$ 254,362	\$ 0	\$ 0	\$ 0	\$ 118,731	\$ 373,093
Judicial		19,091,000			68,097	19,159,097
Executive	608,339	2,592,005			22,206,213	25,406,557
Administration	109,105,199	19,728,340	17,396,887	122,674,959		268,905,385
Total General Government	109,967,900	41,411,345	17,396,887	122,674,959	22,393,041	313,844,132
<u>Public Safety</u>						
Police	1,913,646	29,718,685	1,140,600		1,414,575	34,187,506
Fire	1,561,045	29,506,100	896,310		13,300,773	45,264,228
Building Inspection and Regulations					390,012	390,012
Administration		23,892,344			54,541	23,946,885
Other Protection	4,258,082	337,217			3,061,056	7,656,355
Total Public Safety	7,732,773	83,454,346	2,036,910		18,220,957	111,444,986
<u>Public Works</u>		505,420	12,929,101	1,798,188,529	375,413	1,811,998,463
<u>Health Services</u>	56,159	7,622,063	546,590		801,163	9,025,975
<u>Sanitation</u>	3,557,738	891,137				4,448,875
<u>Welfare</u>	1,079,153	5,268,865	154,420		616,924	7,119,362
<u>Culture and Recreation</u>						
Libraries	1,467,296	45,586,303	1,832,040	371,566	493,611	49,750,816
Parks	1,075,627,434	33,422,270	16,522,903	4,869,137	3,964,311	1,134,406,055
Total Culture and Recreation	1,077,094,730	79,008,573	18,354,943	5,240,703	4,457,922	1,184,156,871
<u>Urban Redevelopment and Housing</u>	15,637,101	141,552,986	7,975,960	13,195,415	1,613,262	179,974,724
<u>Economic Development and Opportunity</u>	265,047	7,934,781			20,459	8,220,287
<u>Total Capital Assets</u>						
Allocated to Functions	\$ 1,215,390,601	\$ 367,649,516	\$ 59,394,811	\$ 1,939,299,606	\$ 48,499,141	3,630,233,675
<u>Construction in Progress</u>						524,898,009
Total Governmental Funds Capital Assets						\$ 4,155,131,684

<sup>1</sup> This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

<u>Function and Activity</u>	Governmental Funds Capital Assets 10-01-01	Additions	Deductions	Governmental Funds Capital Assets 09-30-02
<b><u>General Government</u></b>				
Legislative	\$ 967,139	\$ 373,093	\$ 967,139	\$ 373,093
Judicial	20,053,471	68,097	962,471	19,159,097
Executive	27,837,103	14,257,504	16,688,050	25,406,557
Administration	268,905,385			268,905,385
Total General Government	<u>317,763,098</u>	<u>14,698,694</u>	<u>18,617,660</u>	<u>313,844,132</u>
<b><u>Public Safety</u></b>				
Police	64,709,387	230,250	30,752,131	34,187,506
Fire	64,183,195	6,094,064	25,013,031	45,264,228
Building Inspection and Regulations	1,765,062	395,365	1,770,415	390,012
Administration	23,946,885			23,946,885
Other Protection	12,627,518	2,763,057	7,734,220	7,656,355
Total Public Safety	<u>167,232,047</u>	<u>9,482,736</u>	<u>65,269,797</u>	<u>111,444,986</u>
<b><u>Public Works</u></b>	<u>1,823,878,256</u>		<u>11,879,793</u>	<u>1,811,998,463</u>
<b><u>Health Services</u></b>	<u>13,516,985</u>	<u>507,806</u>	<u>4,998,816</u>	<u>9,025,975</u>
<b><u>Sanitation</u></b>	<u>4,457,549</u>		<u>8,674</u>	<u>4,448,875</u>
<b><u>Welfare</u></b>	<u>12,705,336</u>	<u>310,166</u>	<u>5,896,140</u>	<u>7,119,362</u>
<b><u>Culture and Recreation</u></b>				
Libraries	62,501,787	316,077	13,067,048	49,750,816
Parks	1,137,999,965	5,446,630	9,040,540	1,134,406,055
Total Culture and Recreation	<u>1,200,501,752</u>	<u>5,762,707</u>	<u>22,107,588</u>	<u>1,184,156,871</u>
<b><u>Urban Redevelopment and Housing</u></b>	<u>189,231,585</u>	<u>849,259</u>	<u>10,106,120</u>	<u>179,974,724</u>
<b><u>Economic Development and Opportunity</u></b>	<u>8,551,758</u>	<u>20,459</u>	<u>351,930</u>	<u>8,220,287</u>
<b><u>Construction in Progress</u></b>	<u>440,561,868</u>	<u>84,336,141</u>		<u>524,898,009</u>
<b><u>Total Governmental Funds Capital Assets</u></b>	<u>\$ 4,178,400,234</u>	<u>\$ 115,967,968</u>	<u>\$ 139,236,518</u>	<u>\$ 4,155,131,684</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of the internal service funds are included as governmental activities in the statement of net assets.





***City of San Antonio  
Texas***

***Other Supplementary Information***

**GENERAL FUND**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Revenues</b>			
Taxes	\$ 312,592,198	\$ 310,912,963	\$ (1,679,235)
Licenses and Permits	13,288,960	13,302,392	13,432
Intergovernmental	2,517,179	2,888,626	371,447
Revenues from Utilities	171,396,335	171,234,083	(162,252)
Charges for Services	25,078,687	24,631,495	(447,192)
Fines and Forfeits	13,121,897	10,828,974	(2,292,923)
Miscellaneous	12,977,011	12,054,469	(922,542)
Total Revenues	550,972,267	545,853,002	(5,119,265)
<b>Expenditures</b>			
General Government	69,351,827	57,213,168	12,138,659
Public Safety	354,820,409	351,557,071	3,263,338
Public Works	10,324,699	10,244,816	79,883
Health Services	13,716,542	14,076,213	(359,671)
Sanitation	2,567,060	2,663,359	(96,299)
Welfare	18,317,676	17,662,015	655,661
Culture and Recreation	62,402,981	59,755,427	2,647,554
Economic Development and Opportunity	8,323,656	7,632,008	691,648
Total Expenditures	539,824,850	520,804,077	19,020,773
Excess of Revenues Over Expenditures	11,147,417	25,048,925	13,901,508
<b>Other Financing Sources (Uses)</b>			
Transfers In	11,444,951	11,198,493	(246,458)
Transfers Out	(74,881,068)	(76,101,511)	(1,220,443)
Total Other Financing (Uses)	(63,436,117)	(64,903,018)	(1,466,901)
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</b>	(52,288,700)	(39,854,093)	\$ 12,434,607
Fund Balances, October 1	96,198,138	96,198,138	
Add Encumbrances		6,108,449	
Fund Balances, September 30	\$ 43,909,438	\$ 62,452,494	

**GENERAL FUND**  
**SCHEDULE OF REVENUES COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
<u>Taxes</u>			
Property Taxes			
Current Taxes	\$ 137,055,558	\$ 137,294,658	\$ 239,100
Delinquent Taxes	1,942,130	2,041,026	98,896
General Sales and Use Taxes			
City Sales Tax	143,937,834	140,084,739	(3,853,095)
Selective Sales and Use Taxes			
Alcoholic Beverages Tax	3,484,855	3,628,359	143,504
Gross Receipts Business Taxes			
Taxicabs	205,375	214,325	8,950
Telecommunication Access Lines Fees	16,570,872	16,059,844	(511,028)
Cablevision Franchise	7,788,774	8,199,956	411,182
Bingo Tax	300,000	259,123	(40,877)
Other	44,500	1,309,080	1,264,580
Penalties and Interest on Delinquent Taxes	1,262,300	1,821,853	559,553
Total Taxes	312,592,198	310,912,963	(1,679,235)
<u>Licenses and Permits</u>			
Alcoholic Beverages Licenses	456,392	367,745	(88,647)
Health Licenses	2,476,462	2,164,169	(312,293)
Amusement Licenses	213,091	204,090	(9,001)
Professional and Occupational Licenses	791,672	693,236	(98,436)
Animal Licenses	6,916	6,771	(145)
Building Permits	9,131,256	9,472,062	340,806
Street Permits	213,171	394,319	181,148
Total Licenses and Permits	13,288,960	13,302,392	13,432
<u>Intergovernmental Revenues</u>			
Library Aid from Bexar County	2,052,094	2,337,845	285,751
Park Reservation Services	29,875	30,312	437
Health Aid from Bexar County	389,080	475,296	86,216
Hotel/Motel Tax Collection Fee	46,130	45,173	(957)
Total Intergovernmental Revenues	2,517,179	2,888,626	371,447
<u>Revenues from Municipally-Owned Utilities</u>			
City Public Service Board	165,756,000	165,118,018	(637,982)
San Antonio Water System	5,640,335	6,116,065	475,730
Total Revenues from Municipally-Owned Utilities	171,396,335	171,234,083	(162,252)

(Cont'd)



## CITY OF SAN ANTONIO, TEXAS

**GENERAL FUND**  
**SCHEDULE OF REVENUES COMPARED TO BUDGET**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Charges for Services</u>			
General Government	\$ 9,310,502	\$ 8,631,780	\$ (678,722)
Public Safety			
Police Department	3,523,393	3,641,807	118,414
Fire Department	1,301,043	1,280,014	(21,029)
Highway and Streets			
Street Repairing and Lighting	6,709		(6,709)
Barricade Fees	8,242	7,373	(869)
Sanitation			
Animal Pound Fees	227,100	180,520	(46,580)
Abatement of Nuisances	105,682	221,864	116,182
Health	1,851,462	1,944,644	93,182
Culture and Recreation			
Hemisfair Plaza	24,995	26,433	1,438
Tower of the Americas	1,655,943	1,581,281	(74,662)
La Villita	557,117	490,576	(66,541)
Recreation Fees	491,680	593,059	101,379
Concessions in Other Parks	206,701	88,252	(118,449)
River Boats	3,141,771	2,951,539	(190,232)
Miscellaneous Recreation Revenue	404,894	745,959	341,065
Governor's Palace	37,280	42,000	4,720
Swimming Pools	166,378	168,578	2,200
Community Centers	40,387	2,630	(37,757)
Library	756,599	767,441	10,842
Market Square - Markets and Warehouses	1,132,121	1,125,538	(6,583)
Cemeteries	128,688	140,207	11,519
Total Charges for Services	<u>25,078,687</u>	<u>24,631,495</u>	<u>(447,192)</u>
<u>Fines and Forfeits</u>			
Municipal Court Fines	<u>13,121,897</u>	<u>10,828,974</u>	<u>(2,292,923)</u>
<u>Miscellaneous</u>			
Interest Earned	4,916,241	1,878,652	(3,037,589)
Net (Decrease) in Fair Value of Investments		(120,257)	(120,257)
Sales	1,430,347	1,383,831	(46,516)
Recovery of Expenditures	1,889,480	2,688,995	799,515
Contributions from Governmental Agencies	24,000	61,370	37,370
Interfund Charges	3,720,532	4,724,962	1,004,430
Rents, Leases and Concessions	866,941	1,372,844	505,903
Other	129,470	64,072	(65,398)
Total Miscellaneous	<u>12,977,011</u>	<u>12,054,469</u>	<u>(922,542)</u>
<u>Total Revenues</u>	<u>\$ 550,972,267</u>	<u>\$ 545,853,002</u>	<u>\$ (5,119,265)</u>

(end of statement)

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Expenditures</u>			
<u>General Government</u>			
Legislative:			
Personal Services	\$ 8,236,930	\$ 4,160,924	\$ 4,076,006
Contractual Services	1,812,906	1,511,153	301,753
Commodities	289,542	245,928	43,614
Other Expenditures	1,768,535	1,430,962	337,573
Capital Outlay	2,932		2,932
Total Legislative	12,110,845	7,348,967	4,761,878
Judicial:			
Personal Services	7,864,270	7,855,239	9,031
Contractual Services	3,441,994	3,137,747	304,247
Commodities	425,666	332,572	93,094
Other Expenditures	85,123	36,139	48,984
Total Judicial	11,817,053	11,361,697	455,356
Executive:			
Personal Services	20,197,358	21,366,434	(1,169,076)
Contractual Services	20,630,561	15,692,445	4,938,116
Commodities	3,840,951	1,185,252	2,655,699
Other Expenditures	708,950	212,265	496,685
Capital Outlay	46,109	46,108	1
Total Executive	45,423,929	38,502,504	6,921,425
Total General Government	69,351,827	57,213,168	12,138,659
<u>Public Safety</u>			
Police:			
Personal Services	164,504,923	165,976,326	(1,471,403)
Contractual Services	12,232,803	10,581,333	1,651,470
Commodities	1,412,922	944,363	468,559
Other Expenditures	1,097,906	465,177	632,729
Capital Outlay	19,988	131,142	(111,154)
Total Police	179,268,542	178,098,341	1,170,201
Fire:			
Personal Services	87,849,211	89,194,167	(1,344,956)
Contractual Services	4,233,093	4,058,607	174,486
Commodities	2,439,143	2,135,722	303,421
Other Expenditures	2,232,965	1,554,910	678,055
Capital Outlay	454,389	454,389	
Total Fire	97,208,801	97,397,795	(188,994)

(Cont'd)

## CITY OF SAN ANTONIO, TEXAS

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Public Safety (Cont'd)</b>			
Building Inspection and Regulations:			
Personal Services	\$ 6,894,873	\$ 6,994,223	\$ (99,350)
Contractual Services	2,072,689	2,049,518	23,171
Commodities	791,392	666,988	124,404
Other Expenditures	154,289	64,789	89,500
Total Building Inspection and Regulations	9,913,243	9,775,518	137,725
Administration:			
Personal Services	16,051,651	14,939,919	1,111,732
Contractual Services	7,109,505	6,555,265	554,240
Commodities	1,224,600	1,171,442	53,158
Other Expenditures	474,150	204,342	269,808
Total Administration	24,859,906	22,870,968	1,988,938
Other Protection:			
Personal Services	25,894,923	26,272,159	(377,236)
Contractual Services	11,540,869	12,597,810	(1,056,941)
Commodities	5,169,053	4,049,253	1,119,800
Other Expenditures	805,966	336,122	469,844
Capital Outlay	159,106	159,105	1
Total Other Protection	43,569,917	43,414,449	155,468
Total Public Safety	354,820,409	351,557,071	3,263,338
<b>Public Works</b>			
Streets:			
Personal Services	317,150	284,749	32,401
Contractual Services	78,367	20,023	58,344
Commodities	145,136	73,676	71,460
Other Expenditures	3,994	1,757	2,237
Total Streets	544,647	380,205	164,442
Lighting:			
Contractual Services	9,720,184	9,864,611	(144,427)
Commodities	59,868		59,868
Total Lighting	9,780,052	9,864,611	(84,559)
Total Streets and Roadways	10,324,699	10,244,816	79,883
<b>Health Services</b>			
Personal Services	10,296,205	10,552,741	(256,536)
Contractual Services	2,473,976	2,661,766	(187,790)
Commodities	843,766	816,398	27,368
Other Expenditures	102,595	45,308	57,287
Total Health Services	13,716,542	14,076,213	(359,671)

(Cont'd)

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Sanitation</u>			
Personal Services	\$ 2,251,602	\$ 2,302,188	\$ (50,586)
Contractual Services	222,961	275,614	(52,653)
Commodities	77,065	79,156	(2,091)
Other Expenditures	15,432	6,401	9,031
Total Sanitation	2,567,060	2,663,359	(96,299)
<u>Welfare</u>			
Personal Services	8,084,412	8,026,393	58,019
Contractual Services	4,110,176	3,539,568	570,608
Commodities	219,443	264,713	(45,270)
Other Expenditures	5,903,645	5,831,341	72,304
Total Welfare	18,317,676	17,662,015	655,661
<u>Culture and Recreation</u>			
Libraries:			
Personal Services	13,316,588	13,110,533	206,055
Contractual Services	2,649,855	2,564,395	85,460
Commodities	2,987,512	2,430,664	556,848
Other Expenditures	234,886	98,885	136,001
Total Libraries	19,188,841	18,204,477	984,364
Parks:			
Personal Services	25,350,992	28,558,427	(3,207,435)
Contractual Services	13,191,887	9,250,131	3,941,756
Commodities	3,376,576	2,783,434	593,142
Other Expenditures	1,237,029	901,230	335,799
Capital Outlay	57,656	57,728	(72)
Total Parks	43,214,140	41,550,950	1,663,190
Total Culture and Recreation	62,402,981	59,755,427	2,647,554
<u>Economic Development and Opportunity</u>			
Urban Redevelopment and Housing:			
Personal Services	372,966	387,404	(14,438)
Contractual Services	20,780	58,382	(37,602)
Commodities	4,610	5,043	(433)
Other Expenditures	300,908	300,308	600
Total Urban Redevelopment and Housing	699,264	751,137	(51,873)

(Cont'd)

## CITY OF SAN ANTONIO, TEXAS

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Economic Development and Opportunity (Cont'd)</u>			
Economic Development:			
Personal Services	\$ 2,625,891	\$ 2,659,892	\$ (34,001)
Contractual Services	3,714,312	2,980,259	734,053
Commodities	126,391	122,211	4,180
Other Expenditures	1,157,798	1,118,509	39,289
Total Economic Development	<u>7,624,392</u>	<u>6,880,871</u>	<u>743,521</u>
 Total Economic Development and Opportunity	 <u>8,323,656</u>	 <u>7,632,008</u>	 <u>691,648</u>
 <u>Total Expenditures</u>	 <u>\$ 539,824,850</u>	 <u>\$ 520,804,077</u>	 <u>\$ 19,020,773</u>

(end of statement)

## CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**HOTEL MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		
	BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
<b>Revenues</b>			
Taxes:			
Hotel Occupancy Tax	\$ 37,630,000	\$ 35,005,834	\$ (2,624,166)
Charges for Services	6,796,053	8,028,971	1,232,918
Miscellaneous:			
Interest	830,150	366,426	(463,724)
Net (Decrease) in Fair Value of Investments		(19,844)	(19,844)
Recovery of Expenditures	263,000	138,405	(124,595)
Other	24,019	54,955	30,936
Total Revenues	45,543,222	43,574,747	(1,968,475)
<b>Expenditures</b>			
Convention and Tourism:			
Personal Services	4,610,724	4,595,585	15,139
Contractual Services	13,609,276	12,223,493	1,385,783
Commodities	261,619	220,753	40,866
Other Expenditures	44,143	1,009,019	(964,876)
Capital Outlay	10,217	10,217	
Total	18,535,979	18,059,067	476,912
International Affairs:			
Personal Services	476,300	479,193	(2,893)
Contractual Services	468,483	453,074	15,409
Commodities	78,046	89,222	(11,176)
Other Expenditures	2,714	1,214	1,500
Total	1,025,543	1,022,703	2,840
Arts and Cultural Affairs:			
Personal Services	444,805	424,392	20,413
Contractual Services	371,760	272,937	98,823
Commodities	31,716	13,785	17,931
Other Expenditures	2,788	1,375	1,413
Total	851,069	712,489	138,580
Convention Facilities:			
Personal Services	10,600,435	8,698,214	1,902,221
Contractual Services	7,420,223	6,487,880	932,343
Commodities	1,741,028	1,102,083	638,945
Other Expenditures	840,157	343,579	496,578
Capital Outlay	14,128	14,128	
Total	20,615,971	16,645,884	3,970,087
Non-Departmental:			
Personal Services	205,907	167,231	38,676
Contractual Services	1,279,896	1,000,215	279,681
Commodities	12,060	7,111	4,949
Other Expenditures	390,339	361,313	29,026
Total	1,888,202	1,535,870	352,332
Contributions to Other Agencies	2,860,484	2,860,484	
Total Expenditures	45,777,248	40,836,497	4,940,751
<b>Excess of Revenues Over Expenditures</b>	(234,026)	2,738,250	2,972,276
<b>Other Financing Sources (Uses)</b>			
Transfers In	367,021	367,021	
Transfers Out	(8,346,082)	(8,344,923)	1,159
Total Other Financing Sources (Uses)	(7,979,061)	(7,977,902)	1,159
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(8,213,087)	(5,239,652)	\$ 2,973,435
Fund Balances, October 1	21,069,203	21,069,203	
Add Encumbrances		1,987,152	
<b>Fund Balances, September 30</b>	\$ 12,856,116	\$ 17,816,703	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSHOTEL MOTEL TAX CAPITAL IMPROVEMENT FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Taxes	\$ 10,751,429	\$ 10,001,496	\$ (749,933)
Miscellaneous:			
Interest	136,846	79,998	(56,848)
Net (Decrease) in Fair Value of Investments		(10,040)	(10,040)
Other	13,044	12,681	(363)
Total Revenues	10,901,319	10,084,135	(817,184)
<u>Expenditures</u>			
Convention and Tourism:			
Other Expenditures	93,604	95,832	(2,228)
<u>Excess of Revenues Over Expenditures</u>	10,807,715	9,988,303	(819,412)
<u>Other Financing (Uses)</u>			
Transfers Out	(9,883,734)	(20,042,938)	(10,159,204)
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses</u>	923,981	(10,054,635)	\$ (10,978,616)
Fund Balances, October 1	11,969,714	11,969,714	
<u>Fund Balances, September 30</u>	\$ 12,893,695	\$ 1,915,079	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSALAMODOME FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services	\$ 8,692,665	\$ 9,009,120	\$ 316,455
Miscellaneous:			
Interest	70,260	94,259	23,999
Net (Decrease) in Fair Value of Investments		(3,111)	(3,111)
Recovery of Expenditures		37,652	37,652
Total Revenues	8,762,925	9,137,920	374,995
<u>Expenditures</u>			
Convention and Tourism:			
Administration:			
Personal Services	461,548	370,449	91,099
Contractual Services	284,006	245,939	38,067
Commodities	12,217	5,263	6,954
Other Expenditures	95,853	40,607	55,246
Total	853,624	662,258	191,366
Fiscal Operations:			
Personal Services	299,180	290,730	8,450
Contractual Services	61,245	49,790	11,455
Commodities	1,600	664	936
Other Expenditures	31,413	13,178	18,235
Total	393,438	354,362	39,076
Planning and Administration:			
Personal Services	164,350	178,814	(14,464)
Contractual Services	33,125	22,448	10,677
Commodities	7,600	6,634	966
Other Expenditures	30,596	12,813	17,783
Total	235,671	220,709	14,962
Marketing & Promotions:			
Personal Services	132,008	86,689	45,319
Contractual Services	219,310	28,389	190,921
Commodities	24,500	14,825	9,675
Other Expenditures	30,960	12,975	17,985
Total	406,778	142,878	263,900
Maintenance and Operations:			
Personal Services	935,601	1,359,918	(424,317)
Contractual Services	4,038,426	4,036,548	1,878
Commodities	491,050	349,813	141,237
Other Expenditures	137,270	57,510	79,760
Capital Outlay	68,292	68,292	
Total	5,670,639	5,872,081	(201,442)
Event Services:			
Personal Services	180,754	140,083	40,671
Contractual Services	316,454	235,850	80,604
Commodities	23,746	23,291	455
Other Expenditures	36,091	15,138	20,953
Total	557,045	414,362	142,683
Event Contractual Staff Services:			
Personal Services	364,452	1,283,946	(919,494)
Contractual Services	828,803	51,360	777,443
Commodities	47,700	29,906	17,794
Other Expenditures	65,430	27,457	37,973
Total	1,306,385	1,392,669	(86,284)
Total Expenditures	9,423,580	9,059,319	364,261
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	(660,655)	78,601	739,256
<u>Other Financing Sources (Uses)</u>			
Transfers In	107,273	107,273	
Transfers Out	(637,368)	(542,289)	95,079
Total Other Financing Sources (Uses)	(530,095)	(435,016)	95,079
<u>(Deficiency) of Revenues and Other Financing Sources</u>			
<u>(Under) Expenditures and Other Financing Uses</u>	(1,190,750)	(356,415)	\$ 834,335
Fund Balances, October 1	5,244,494	5,244,494	
Add Encumbrances		200,935	
<u>Fund Balances, September 30</u>	\$ 4,053,744	\$ 5,089,014	



## CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**STREET MAINTENANCE AND IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Revenues</b>			
Intergovernmental	\$ 254,704	\$ 1,468,149	\$ 1,213,445
Charges for Services	5,253,189	880,495	(4,372,694)
Miscellaneous:			
Interest	296,900	164,260	(132,640)
Net (Decrease) in Fair Value of Investments		(7,512)	(7,512)
Recovery of Expenditures	2,000	2,048,113	2,046,113
<b>Total Revenues</b>	<b>5,806,793</b>	<b>4,553,505</b>	<b>(1,253,288)</b>
<b>Expenditures</b>			
Streets and Roadways:			
Area Supervision:			
Personal Services	6,072,370	1,839,336	4,233,034
Contractual Services	1,259,461	1,213,158	46,303
Commodities	1,608,721	183,771	1,424,950
Other Expenditures	192,398	79,368	113,030
<b>Total</b>	<b>9,132,950</b>	<b>3,315,633</b>	<b>5,817,317</b>
Gravel and Asphalt Maintenance:			
Personal Services	6,472,385	7,374,318	(901,933)
Contractual Services	2,451,277	2,897,350	(446,073)
Commodities	3,866,413	8,995,859	(5,129,446)
Other Expenditures	184,821	72,932	111,889
Capital Outlay	221,700	221,700	
<b>Total</b>	<b>13,196,596</b>	<b>19,562,159</b>	<b>(6,365,563)</b>
Maintenance and Construction:			
Personal Services	2,237,209	2,476,748	(239,539)
Contractual Services	933,193	871,466	61,727
Commodities	1,647,092	846,960	800,132
Other Expenditures	128,955	56,983	71,972
<b>Total</b>	<b>4,946,449</b>	<b>4,252,157</b>	<b>694,292</b>
<b>Total Expenditures</b>	<b>27,275,995</b>	<b>27,129,949</b>	<b>146,046</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(21,469,202)</b>	<b>(22,576,444)</b>	<b>(1,107,242)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	31,138,316	31,698,968	560,652
Transfers Out	(24,521,061)	(22,011,947)	2,509,114
<b>Total Other Financing Sources (Uses)</b>	<b>6,617,255</b>	<b>9,687,021</b>	<b>3,069,766</b>
<b>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</b>	<b>(14,851,947)</b>	<b>(12,889,423)</b>	<b>\$ 1,962,524</b>
<b>Fund Balances, October 1</b>	<b>12,789,446</b>	<b>12,789,446</b>	
<b>Add Encumbrances</b>		<b>10,545,292</b>	
<b>Fund Balances, September 30</b>	<b>\$ (2,062,501)</b>	<b>\$ 10,445,315</b>	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSPARKS DEVELOPMENT AND EXPANSION FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		
	BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
<u>Revenues</u>			
Taxes:			
City Sales Tax	\$ 17,992,229	\$ 17,508,571	\$ (483,658)
Miscellaneous:			
Interest	378,318	298,709	(79,609)
Net (Decrease) in Fair Value of Investments		(4,956)	(4,956)
Total Revenues	18,370,547	17,802,324	(568,223)
<u>Expenditures</u>			
Culture and Recreation:			
Personal Services		14,485	(14,485)
Contractual Services	1,263,717	978,044	285,673
Commodities	(18,285)	4,591	(22,876)
Capital Outlay	67,479	67,479	
Total Expenditures	1,312,911	1,064,599	248,312
<u>Excess of Revenues Over Expenditures</u>	17,057,636	16,737,725	(319,911)
<u>Other Financing (Uses)</u>			
Transfers Out	(18,415,393)	(12,944,412)	5,470,981
<u>Excess (Deficiency) of Revenues and Other Financing</u>			
<u>Sources Over (Under) Expenditures and Other</u>			
<u>Financing Uses</u>	(1,357,757)	3,793,313	\$ 5,151,070
Fund Balances, October 1	15,950,664	15,950,664	
Add Encumbrances		457,229	
<u>Fund Balances, September 30</u>	\$ 14,592,907	\$ 20,201,206	

## CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**STORMWATER OPERATING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Revenues</b>			
Charges for Services	\$ 20,129,543	\$ 19,686,878	\$ (442,665)
Miscellaneous:			
Interest	382,040	209,265	(172,775)
Net (Decrease) in Fair Value of Investments		(9,222)	(9,222)
Recovery of Expenditures		687,458	687,458
Other		10,300	10,300
Total Revenues	20,511,583	20,584,679	73,096
<b>Expenditures</b>			
Public Works:			
Administration:			
Personal Services	778,605	729,407	49,198
Contractual Services	2,898,118	3,446,727	(548,609)
Commodities	133,686	13,199	120,487
Other Expenditures	722,076	713,132	8,944
Capital Outlay	27,406	27,406	
Total	4,559,891	4,929,871	(369,980)
Vegetation Control:			
Personal Services	3,126,384	1,856,378	1,270,006
Contractual Services	444,543	616,945	(172,402)
Commodities	370,360	383,201	(12,841)
Other Expenditures	32,768	14,093	18,675
Total	3,974,055	2,870,617	1,103,438
River Maintenance:			
Personal Services	2,180,883	2,206,843	(25,960)
Contractual Services	965,885	1,008,191	(42,306)
Commodities	477,087	518,718	(41,631)
Other Expenditures	43,487	18,105	25,382
Total	3,667,342	3,751,857	(84,515)
Street Sweeping:			
Personal Services	2,263,417	2,292,621	(29,204)
Contractual Services	795,234	957,237	(162,003)
Commodities	288,627	428,441	(139,814)
Other Expenditures	18,235	7,413	10,822
Total	3,365,513	3,685,712	(320,199)
Tunnel Maintenance:			
Personal Services	884,236	900,193	(15,957)
Contractual Services	820,252	328,346	491,906
Commodities	196,398	161,010	35,388
Other Expenditures	14,816	6,394	8,422
Total	1,915,702	1,395,943	519,759
Design Engineering:			
Personal Services	442,351	614,494	(172,143)
Contractual Services	53,916	15,155	38,761
Commodities	69,106	11,403	57,703
Other Expenditures	10,914	4,741	6,173
Total	576,287	645,793	(69,506)
Total Expenditures	18,058,790	17,279,793	778,997
<b>Excess of Revenues Over Expenditures</b>	2,452,793	3,304,886	852,093
<b>Other Financing Sources (Uses)</b>			
Transfers In	113,807	86,875	(26,932)
Transfers Out	(6,484,028)	(1,898,833)	4,585,195
Total Other Financing Sources (Uses)	(6,370,221)	(1,811,958)	4,558,263
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	(3,917,428)	1,492,928	\$ 5,410,356
Fund Balances, October 1	10,577,211	10,577,211	
Add Encumbrances		1,240,633	
<b>Fund Balances, September 30</b>	\$ 6,659,783	\$ 13,310,772	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
PROJECT MANAGEMENT OFFICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		
	BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
<u>Revenues</u>			
Miscellaneous:			
Interest	\$ 0	\$ 679	\$ 679
Net (Decrease) in Fair Value of Investments		(35)	(35)
Total Revenues		644	644
<u>Expenditures</u>			
Convention and Tourism:			
Personal Services	380,688	316,857	63,831
Contractual Services	167,494	113,583	53,911
Commodities	28,221	16,310	11,911
Other Expenditures	24,904	22,954	1,950
Total Expenditures	601,307	469,704	131,603
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(601,307)	(469,060)	132,247
<u>Other Financing Sources (Uses)</u>			
Transfers In	838,301	738,370	(99,931)
Transfers Out	(346,128)	(292,797)	53,331
Total Other Financing Sources (Uses)	492,173	445,573	(46,600)
<u>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</u>	(109,134)	(23,487)	\$ 85,647
Fund Balances, October 1	48,681	48,681	
Fund Balances, September 30	\$ (60,453)	\$ 25,194	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSEMERGENCY MEDICAL SERVICES FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services:			
Ambulance Service Fees	\$ 8,693,823	\$ 8,577,519	\$ (116,304)
Ambulance Contract Fees	367,696	385,002	17,306
Miscellaneous:			
Interest		712	712
Recovery of Expenditures		15,874	15,874
Total Revenues	9,061,519	8,979,107	(82,412)
<u>Expenditures</u>			
Health Services:			
Personal Services	31,177,273	32,042,374	(865,101)
Contractual Services	4,494,462	4,404,449	90,013
Commodities	1,495,957	1,311,672	184,285
Other Expenditures	175,380	74,472	100,908
Capital Outlay	478,099	478,099	
Total Expenditures	37,821,171	38,311,066	(489,895)
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(28,759,652)	(29,331,959)	(572,307)
<u>Other Financing Sources</u>			
Transfers In	28,652,197	28,652,197	
<u>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures</u>	(107,455)	(679,762)	\$ (572,307)
Fund Balances, October 1	689,383	689,383	
Add Encumbrances		152,779	
<u>Fund Balances, September 30</u>	<u>\$ 581,928</u>	<u>\$ 162,400</u>	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
CAPITAL IMPROVEMENTS RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Intergovernmental:			
Street Light Installation	\$ 680,000	\$ 742,944	\$ 62,944
Miscellaneous:			
Interest	271,060	110,671	(160,389)
Net (Decrease) in Fair Value of Investments		(6,559)	(6,559)
Recovery of Expenditures	25,000	12,500	(12,500)
Other	200,000	255,474	55,474
Total Revenues	1,176,060	1,115,030	(61,030)
<u>Expenditures</u>			
General Government:			
Contractual Services	7,000	50	6,950
Commodities		1,665	(1,665)
Total Expenditures	7,000	1,715	5,285
<u>Excess of Revenues Over Expenditures</u>	1,169,060	1,113,315	(55,745)
<u>Other Financing Sources (Uses)</u>			
Transfers In	349,931	349,931	
Transfers Out	(8,115,609)	(6,013,814)	2,101,795
Total Other Financing Sources (Uses)	(7,765,678)	(5,663,883)	2,101,795
<u>(Deficiency) of Revenues and Other Financing Sources</u> <u>(Under) Expenditures and Other Financing Uses</u>	(6,596,618)	(4,550,568)	\$ 2,046,050
Fund Balances, October 1	6,116,266	6,116,266	
Add Encumbrances		2,168,456	
<u>Fund Balances, September 30</u>	\$ (480,352)	\$ 3,734,154	

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS

NELSON WOLFF STADIUM

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET

(NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services	\$ 538,185	\$ 540,158	\$ 1,973
Miscellaneous:			
Interest		399	399
Net (Decrease) in Fair Value of Investments		(21)	(21)
Recovery of Expenditures	54,111	44,730	(9,381)
Other	8,761	4,554	(4,207)
Total Revenues	601,057	589,820	(11,237)
<u>Expenditures</u>			
Culture and Recreation:			
Personal Services	316,039	275,301	40,738
Contractual Services	338,314	278,491	59,823
Commodities	97,561	117,614	(20,053)
Other Expenditures	32,418	13,627	18,791
Capital Outlay	5,890	5,890	
Total Expenditures	790,222	690,923	99,299
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(189,165)	(101,103)	88,062
<u>Other Financing Sources</u>			
Transfers In	176,456	81,160	(95,296)
Transfers Out	(1,914)	(1,914)	
Total Other Financing Sources	174,542	79,246	(95,296)
<u>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures</u>	(14,623)	(21,857)	\$ (7,234)
Fund Balances, October 1	155,480	155,480	
Add Encumbrances		4,315	
<u>Fund Balances, September 30</u>	\$ 140,857	\$ 137,938	

———— CITY OF SAN ANTONIO, TEXAS ————

**SPECIAL REVENUE FUNDS**  
**CONFISCATED PROPERTY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- POSITIVE (NEGATIVE)</u>
<u>Revenues</u>			
Miscellaneous:			
Interest	\$ 62,840	\$ 39,980	\$ (22,860)
Net (Decrease) in Fair Value of Investments		(2,354)	(2,354)
Other	938,350	759,292	(179,058)
	<u>1,001,190</u>	<u>796,918</u>	<u>(204,272)</u>
Total Revenues			
	<u>1,001,190</u>	<u>796,918</u>	<u>(204,272)</u>
<u>Expenditures</u>			
Public Safety:			
Office of Chief of Police:			
Personal Services	180,937	112,531	68,406
Contractual Services	1,397,024	337,614	1,059,410
Commodities	588,553	431,297	157,256
Other Expenditures	15,147	6,503	8,644
Capital Outlay	79,517	79,517	
	<u>2,261,178</u>	<u>967,462</u>	<u>1,293,716</u>
Total Expenditures			
	<u>2,261,178</u>	<u>967,462</u>	<u>1,293,716</u>
<u>(Deficiency) of Revenues (Under) Expenditures</u>	<u>(1,259,988)</u>	<u>(170,544)</u>	<u>1,089,444</u>
<u>Other Financing (Uses)</u>			
Transfers Out	<u>(76,415)</u>	<u>(76,415)</u>	
<u>(Deficiency) of Revenues (Under) Expenditures and Other Financing Uses</u>	<u>(1,336,403)</u>	<u>(246,959)</u>	<u>\$ 1,089,444</u>
Fund Balances, October 1	2,071,887	2,071,887	
Add Encumbrances		68,442	
<u>Fund Balances, September 30</u>	<u>\$ 735,484</u>	<u>\$ 1,893,370</u>	



## CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**PUBLIC HEALTH SUPPORT REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		
	BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
<b><u>Revenues</u></b>			
Intergovernmental	\$ 827,407	\$ 1,231,860	\$ 404,453
Charges for Services	859,875	1,217,536	357,661
Miscellaneous:			
Interest	37,400	15,669	(21,731)
Net (Decrease) in Fair Value of Investments		(850)	(850)
Total Revenues	1,724,682	2,464,215	739,533
<b><u>Expenditures</u></b>			
Health Services:			
Administration:			
Personal Services	1,111,263	788,860	322,403
Contractual Services	120,506	112,660	7,846
Commodities	414,887	494,668	(79,781)
Other Expenditures	240,964	234,050	6,914
Total	1,887,620	1,630,238	257,382
Animal Control:			
Personal Services	665,169	622,864	42,305
Contractual Services	21,251	39,640	(18,389)
Commodities	20,329	18,394	1,935
Other Expenditures	1,824	755	1,069
Total	708,573	681,653	26,920
Total Expenditures	2,596,193	2,311,891	284,302
<b><u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u></b>	(871,511)	152,324	1,023,835
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In	182,000	182,000	
Transfers Out	(282,335)	(118,400)	163,935
Total Other Financing Sources (Uses)	(100,335)	63,600	163,935
<b><u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</u></b>	(971,846)	215,924	\$ 1,187,770
Fund Balances, October 1	847,451	847,451	
Add Encumbrances		13,005	
<b><u>Fund Balances, September 30</u></b>	\$ (124,395)	\$ 1,076,380	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
JOB TRAINING, NEIGHBORHOOD REVITALIZATION, AND ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Intergovernmental	\$ 0	\$ 0	\$ 0
Miscellaneous:			
Interest	14,150	97,638	83,488
Net (Decrease) in Fair Value of Investments		(6,675)	(6,675)
Total Revenues	14,150	90,963	76,813
<u>Expenditures</u>			
Economic Development and Opportunity:			
Contractual Services	1,528,000	1,185,900	342,100
<u>(Deficiency) of Revenues</u>			
<u>(Under) Expenditures</u>	(1,513,850)	(1,094,937)	418,913
<u>Other Financing (Uses)</u>			
Transfers Out	(3,000,000)		3,000,000
<u>(Deficiency) of Revenues and Other Financing</u>			
<u>Sources (Under) Expenditures and Other</u>			
<u>Financing Uses</u>	(4,513,850)	(1,094,937)	\$ 3,418,913
Fund Balances, October 1	5,290,442	5,290,442	
Add Encumbrances		423,000	
<u>Fund Balances, September 30</u>	<u>\$ 776,592</u>	<u>\$ 4,618,505</u>	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSGOLF COURSE FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		
	BUDGET	ACTUAL	VARIANCE- POSITIVE (NEGATIVE)
<u>Revenues</u>			
Charges for Services	\$ 7,487,806	\$ 6,392,460	\$ (1,095,346)
Miscellaneous:			
Interest	8,148	24	(8,124)
Recovery of Expenditures	9,870	9,851	(19)
Other	5,080		(5,080)
Total Revenues	7,510,904	6,402,335	(1,108,569)
<u>Expenditures</u>			
Culture and Recreation:			
Personal Services	3,524,831	3,650,623	(125,792)
Contractual Services	2,070,778	1,583,767	487,011
Commodities	840,136	855,459	(15,323)
Other Expenditures	236,575	551,349	(314,774)
Total Expenditures	6,672,320	6,641,198	31,122
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	838,584	(238,863)	(1,077,447)
<u>Other Financing (Uses)</u>			
Transfers Out	(383,651)	(7,770)	375,881
<u>Excess (Deficiency) of Revenues and Other Financing</u>			
<u>Sources Over (Under) Expenditures and Other</u>			
<u>Financing (Uses)</u>	454,933	(246,633)	\$ (701,566)
Fund Balances, October 1	(536,194)	(536,194)	
Add Encumbrances		1,860	
<u>Fund Balances, September 30</u>	\$ (81,261)	\$ (780,967)	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSBROOKS CITY-BASE FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Interest	\$	\$ 1,971	\$ 1,971
Net Increase in Fair Value of Investments		9	9
Total Revenues		1,980	1,980
<u>Expenditures</u>			
Convention and Tourism:			
Personal Services	236,348	191,271	45,077
Contractual Services	555,327	471,235	84,092
Commodities	35,016	17,736	17,280
Total Expenditures	826,691	680,242	146,449
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(826,691)	(678,262)	148,429
<u>Other Financing Sources</u>			
Transfers In	649,847	649,847	
<u>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</u>	(176,844)	(28,415)	\$ 148,429
Fund Balances, October 1			
Add Encumbrances		182,452	
<u>Fund Balances, September 30</u>	\$ (176,844)	\$ 154,037	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSINTERNATIONAL CENTER FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services	\$ 889,573	\$ 963,721	\$ 74,148
Miscellaneous:			
Interest		5,568	5,568
Net (Decrease) in Fair Value of Investments		(215)	(215)
Total Revenues	889,573	969,074	79,501
<u>Expenditures</u>			
Convention and Tourism:			
Personal Services	320,009	323,396	(3,387)
Contractual Services	308,966	356,614	(47,648)
Commodities	120,869	60,781	60,088
Other Expenditures	187,063	56,605	130,458
Total Expenditures	936,907	797,396	139,511
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	(47,334)	171,678	219,012
<u>Other Financing Sources (Uses)</u>			
Transfers In	28,835	28,835	
Transfers Out	(174,941)	(15,676)	159,265
Total Other Financing Sources (Uses)	(146,106)	13,159	159,265
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</u>	(193,440)	184,837	\$ 378,277
Fund Balances, October 1	185,577	(34,102)	
Add Encumbrances		447	
Fund Balances, September 30	\$ (7,863)	\$ 151,182	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSENTERPRISE RESOURCE MANAGEMENT PROJECT (ERM) FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Interest	\$ 0	\$ 363	\$ 363
Total Revenues		363	363
<u>Expenditures</u>			
General Government:			
Personal Services	1,679,953	1,017,721	662,232
Contractual Services	1,024,749	502,309	522,440
Commodities	240,850	348,025	(107,175)
Capital Outlay	7,697	7,697	
Total Expenditures	2,953,249	1,875,752	1,077,497
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(2,953,249)	(1,875,389)	1,077,860
<u>Other Financing Sources</u>			
Transfers In	2,953,249	1,875,389	(1,077,860)
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources</u>	0	0	\$ 0
Fund Balances, October 1			
Add Encumbrances		21,464	
<u>Fund Balances, September 30</u>	\$ 0	\$ 21,464	

## CITY OF SAN ANTONIO, TEXAS

**DEBT SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Taxes:			
Current Taxes	\$ 86,568,332	\$ 86,523,777	\$ (44,555)
Delinquent Taxes	1,199,640	1,455,476	255,836
Penalties and Interest on Delinquent Taxes	938,189	1,184,931	246,742
Miscellaneous:			
Interest Revenue	7,244,736	3,519,678	(3,725,058)
Total Revenues	95,950,897	92,683,862	(3,267,035)
<u>Expenditures</u>			
Principal Retirement	62,625,000	66,295,000	(3,670,000)
Interest	53,210,067	49,091,890	4,118,177
Arbitrage Expense	132,770		132,770
Issuance Costs		1,656,623	(1,656,623)
Total Expenditures	115,967,837	117,043,513	(1,075,676)
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(20,016,940)	(24,359,651)	(4,342,711)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	23,111,082	22,834,203	(276,879)
Long-Term Debt Issued		261,930,000	261,930,000
Premium on Long-Term Debt		13,112,632	13,112,632
Redemption of General Commercial Paper		(15,000,000)	(15,000,000)
Payment to Refunded Bond Escrow Agent		(257,466,962)	(257,466,962)
Total Other Financing Sources (Uses)	23,111,082	25,409,873	2,298,791
<u>Excess of Revenues and Other Financing Sources</u> <u>Over Expenditures</u>	3,094,142	1,050,222	\$ (2,043,920)
Fund Balances, October 1	90,333,072	88,297,423	
<u>Fund Balances, September 30</u>	\$ 93,427,214	\$ 89,347,645	

## CITY OF SAN ANTONIO, TEXAS

PERMANENT FUNDS  
SAN JOSE BURIAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	2002		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Sales	\$ 28,000	\$ 41,387	\$ 13,387
Interest on Time Deposits	170,900	63,799	(107,101)
Other		196	196
Total Revenues	198,900	105,382	(93,518)
<u>Expenditures</u>			
General Government:			
Personal Services	251,209	337,153	(85,944)
Contractual Services	79,129	56,004	23,125
Commodities	20,587	23,950	(3,363)
Other Expenditures	24,889	21,531	3,358
Capital Outlay	35,820	245,206	(209,386)
Total Expenditures	411,634	683,844	(272,210)
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(212,734)	(578,462)	\$ (365,728)
Fund Balances, October 1	3,696,034	3,696,181	
Add Encumbrances		3,829	
<u>Fund Balances, September 30</u>	<u>\$ 3,483,300</u>	<u>\$ 3,121,548</u>	



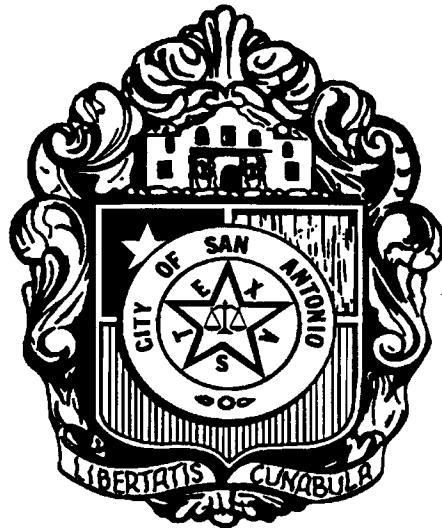


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***City of San Antonio  
Texas***

***Statistical Section***

***(Unaudited)***



**STATISTICAL DATA**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>HEALTH SERVICES</u>	<u>ENVIRONMENTAL PROTECTION SANITATION</u>	<u>WELFARE</u>
1993	\$ 33,079,932	\$ 196,459,271	\$ 8,346,800	\$ 8,723,339	\$ 2,477,360	\$ 6,596,564
1994	36,862,536	206,389,581	8,347,017	9,494,977	2,572,816	7,250,532
1995	40,685,167	222,923,105	8,425,639	10,040,732	2,635,611	9,131,932
1996	42,529,874	237,255,653	8,918,131	10,573,920	2,773,727	9,171,600
1997	45,565,493	251,646,029	8,740,273	10,267,013	2,732,660	8,382,401
1998	44,617,078	267,566,794	9,162,860	10,753,132	2,780,539	10,232,506
1999	49,438,915	289,777,427	9,467,167	11,277,893	2,399,358	11,407,269
2000	55,436,446	305,859,236	9,909,813	12,299,792	2,600,995	12,857,131
2001	68,364,225	326,227,746	9,804,123	13,401,383	2,754,077	16,464,593
(1) 2002	64,153,082	364,240,290	67,128,230	76,541,219	3,045,224	133,160,777

NOTE: (1) Commencing in Fiscal Year 2002, expenditures were adjusted to reflect the General Government amounts, which include the General Fund, Special Revenue Fund, and the Debt Service Fund.

CITY OF SAN ANTONIO, TEXAS

**STATISTICAL DATA**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>CULTURE AND RECREATION</u>	<u>CONVENTION AND TOURISM</u>	<u>CONSERVATION</u>	<u>URBAN REDEVELOPMENT AND OPPORTUNITY</u>	<u>ECONOMIC DEVELOPMENT AND OPPORTUNITY</u>	<u>PRINCIPAL AND INTEREST</u>	<u>TOTAL</u>
\$ 31,568,960	\$	\$	\$	\$ 3,697,073	\$	\$ 290,949,299
33,342,495				3,898,488		308,158,442
37,483,790				4,262,984		335,588,960
41,489,469				4,561,839		357,274,213
41,049,946				4,555,513		372,939,328
42,809,012				4,783,117		392,705,038
48,025,859				5,189,929		426,983,817
52,938,397				5,864,158		457,765,968
58,137,342				6,394,692		501,548,181
74,984,722	49,764,207	62,699	17,227,891	25,907,990	117,043,513	993,259,844

**STATISTICAL DATA**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>INTER- GOVERNMENTAL</u>	<u>REVENUES FROM UTILITIES</u>
1993	\$ 177,823,573	\$ 6,348,436	\$ 1,977,729	\$ 127,820,979
1994	191,063,575	7,646,164	2,012,771	131,039,382
1995	202,220,554	8,530,428	2,016,305	127,343,665
1996	214,635,376	9,438,492	2,141,719	145,189,566
1997	228,059,883	9,627,427	2,346,577	140,453,797 (2)
1998	245,430,127	11,159,736	2,354,189	150,833,144
1999	261,392,418	12,164,099	2,526,778	149,956,113
2000	277,833,729	12,257,775	2,669,780	172,300,674
2001	291,378,953	12,683,156	2,865,885	187,939,902
(3) 2002	462,933,800	13,302,392	183,492,912	171,234,083

**CITY OF SAN ANTONIO**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>PROPERTY TAXES</u>	<u>SALES TAX</u>	<u>ALCOHOLIC BEVERAGE TAX</u>	<u>BUSINESS TAX</u>
1993	\$ 80,272,293	\$ 82,328,513	\$ 2,160,280	\$ 11,988,349
1994	82,070,073	92,669,237	2,259,577	12,993,110
1995	87,138,323	97,667,344	2,353,138	13,952,024
1996	93,367,838	103,032,541	2,511,937	14,523,943
1997	97,726,308	110,034,458	2,568,331	16,660,109
1998	101,763,992	118,991,708	2,810,446	20,569,499 (1)
1999	108,043,972	126,472,730	2,967,461	22,462,669
2000	115,194,535	135,130,522	3,224,213	22,898,881
2001	125,533,518	136,810,787	3,426,706	24,197,809
(3) 2002	227,598,531	157,593,310	3,628,359	26,042,328

NOTES: (1) Revenue increase due to revision in a Business Tax contract.

(2) Stormwater Revenue transferred to Stormwater Program Special Revenue Fund.

(3) Commencing in Fiscal Year 2002, revenues were adjusted to reflect the General Government amounts, which include the General Fund, Special Revenue Fund and the Debt Service Fund.

## CITY OF SAN ANTONIO, TEXAS

**STATISTICAL DATA**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

CHARGES FOR SERVICES	FINES AND FORFEITS	MISCELLANEOUS	IN-KIND CONTRIBUTIONS	TOTAL
\$ 13,893,416	\$ 6,678,694	\$ 7,629,608	\$	\$ 342,172,435
17,041,469	6,667,543	7,467,656		362,938,560
16,670,522	8,262,390	9,764,240		374,808,104
18,422,483	9,051,481	8,927,797		407,806,914
18,666,543	8,475,837	9,601,800		417,231,864
21,676,353	11,525,034	10,862,192		453,840,775
21,726,181	11,838,121	12,705,684		472,309,394
23,010,824	11,593,504	13,017,615		512,683,901
23,211,576	11,116,047	14,249,362		543,444,881
84,532,397	10,828,974	30,393,910	14,504,494	971,222,962

**CITY OF SAN ANTONIO**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

HOTEL/MOTEL OCCUPANCY TAXES	PENALTIES AND INTEREST AND JUDGMENTS	TOTAL
\$	\$ 1,074,138	\$ 177,823,573
	1,071,578	191,063,575
	1,109,725	202,220,554
	1,199,117	214,635,376
	1,070,677	228,059,883
	1,294,482	245,430,127
	1,445,586	261,392,418
	1,385,578	277,833,729
	1,410,133	291,378,953
45,007,330	3,063,942	462,933,800

**STATISTICAL DATA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>CURRENT NET TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS AND ACCRUALS (4)</u>	<u>PERCENT OF LEVY COLLECTED OR ACCRUED</u>	<u>DELINQUENT TAX COLLECTIONS (1) (4)</u>
1993	\$ 130,820,390	\$ 127,267,067	97.28%	\$ 2,531,587
1994	133,977,540	130,408,296	97.34%	2,444,098
1995	142,934,773	139,649,105	97.70%	2,214,664
1996	155,347,338	152,173,798	97.96%	2,607,183
1997	164,201,161	161,315,799	98.24%	1,616,889
1998	170,587,464	167,894,836	98.42%	2,265,936
1999	181,204,963	178,218,790	98.35%	2,731,401
2000	193,159,815	189,575,621	98.14%	3,272,233
2001	208,917,594	204,502,303	97.89%	2,957,004
2002	229,030,010	223,942,558	97.78%	3,373,532
Average Ten Years			97.91%	

NOTES: (1) Penalty, Judgments, and Interest on Judgments are excluded.

(2) Includes annexed Public Utility Districts.

(3) Balance is adjusted for subsequent cancellations & supplements to original tax rolls.

(4) Does not include excess Special Revenue Tax.

**STATISTICAL DATA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

TOTAL TAX COLLECTIONS AND ACCRUALS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	CUMULATIVE OUTSTANDING DELINQUENT TAX BALANCE (1) (2) (3)	PERCENT OF CUMULATIVE DELINQUENT TAXES TO CURRENT NET TAX LEVY
\$ 129,798,654	99.22%	\$ 13,960,421	10.67%
132,852,394	99.16%	15,095,003	11.27%
141,863,769	99.25%	15,562,521	10.89%
154,780,981	99.64%	15,412,653	9.92%
162,932,688	99.23%	15,429,754	9.40%
170,160,772	99.75%	14,957,421	8.77%
180,950,191	99.86%	14,765,521	8.15%
192,847,854	99.84%	16,888,906	8.74%
207,459,307	99.30%	18,169,442	8.70%
227,316,090	99.25%	18,967,966	8.28%
	99.45%		



**STATISTICAL DATA**  
**ASSESSED AND ESTIMATED APPRAISED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	TAX ROLL YEAR	REAL PROPERTY		PERSONAL PROPERTY	
		ASSESSED VALUE	ESTIMATED APPRAISED VALUE	ASSESSED VALUE	ESTIMATED APPRAISED VALUE
1993	1992	\$ 18,051,259,050	\$ 18,051,259,050	\$ 3,879,065,037	\$ 3,879,065,037
1994	1993	18,418,110,540	18,418,110,540	4,043,379,430	4,043,379,430
1995	1994	19,985,487,015	19,985,487,015	4,305,791,112	4,305,791,112
1996	1995	22,064,630,592	22,064,630,592	4,708,124,599	4,708,124,599
1997	1996	23,435,144,195	23,435,144,195	4,862,753,404	4,862,753,404
1998	1997	24,300,123,833	24,300,123,833	5,093,431,010	5,093,431,010
1999	1998	26,000,081,705	26,000,081,705	5,220,745,756	5,220,745,756
2000	1999	27,715,416,138	27,715,416,138	5,565,180,250	5,565,180,250
2001	2000	30,259,398,730	30,259,398,730	5,722,088,609	5,722,088,609
2002	2001	33,244,132,323	33,244,132,323	6,286,505,217	6,286,505,217

NOTE: (1) The basis of assessment is 100%. Amounts shown are net taxable assessed values after deductions of residential homestead exemptions granted to persons 65 years of age and older and disabled veterans. In addition, other exemptions include Historic Properties, Tax Phase-Ins, Freeport and Transitional Housing.

**STATISTICAL DATA**  
**ASSESSED AND ESTIMATED APPRAISED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<u>MOBILE HOMES</u>		<u>TOTAL</u>		<u>RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED APPRAISED VALUE</u>
<u>ASSESSED VALUE</u>	<u>ESTIMATED APPRAISED VALUE</u>	<u>ASSESSED VALUE (1)</u>	<u>ESTIMATED APPRAISED VALUE</u>	
\$ 20,510,735	\$ 20,510,735	\$ 21,950,834,822	\$ 21,950,834,822	100%
19,094,620	19,094,620	22,480,584,590	22,480,584,590	100%
18,597,037	18,597,037	24,309,875,164	24,309,875,164	100%
20,969,780	20,969,780	26,793,724,971	26,793,724,971	100%
22,901,544	22,901,544	28,320,799,143	28,320,799,143	100%
28,729,831	28,729,831	29,422,284,674	29,422,284,674	100%
32,723,564	32,723,564	31,253,551,025	31,253,551,025	100%
34,882,474	34,882,474	33,315,478,862	33,315,478,862	100%
51,833,990	51,833,990	36,033,321,329	36,033,321,329	100%
56,946,740	56,946,740	39,587,584,280	39,587,584,280	100%

**STATISTICAL DATA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

CITY OF SAN ANTONIO, TEXAS				
FISCAL YEAR ENDED	TAX ROLL	GENERAL FUND	DEBT	
			SERVICE FUNDS	TOTAL
1993	1992	\$ .36866	\$ .22731	\$ .59597
1994	1993	.36866	.22731	.59597
1995	1994	.36066	.22731	.58797
1996	1995	.34979	.23000	.57979
1997	1996	.34712	.23267	.57979
1998	1997	.34669	.23310	.57979
1999	1998	.34579	.23400	.57979
2000	1999	.34579	.23400	.57979
2001	2000	.35079	.22900	.57979
2002	2001	.35454	.22400	.57854

**TAX LEVIES FOR LAST TEN FISCAL YEARS**

CITY OF SAN ANTONIO, TEXAS				
FISCAL YEAR ENDED	TAX ROLL	GENERAL FUND	DEBT	
			SERVICE FUNDS	TOTAL
1993	1992	\$ 80,923,948	\$ 49,896,442	\$ 130,820,390
1994	1993	82,876,920	51,100,620	133,977,540
1995	1994	87,675,996	55,258,777	142,934,773
1996	1995	93,721,771	61,625,567	155,347,338
1997	1996	98,307,158	65,894,003	164,201,161
1998	1997	102,004,119	68,583,345	170,587,464
1999	1998	108,071,654	73,133,309	181,204,963
2000	1999	115,201,594	77,958,221	193,159,815
2001	2000	126,401,288	82,516,306	208,917,594
2002	2001	140,353,821	88,676,189	229,030,010

- NOTES: (1) Twelve (12) Independent School Districts.
- (2) Includes the Bexar County Education District Levy for Tax Year 1992. The Bexar County Education District was a taxing entity created by the 72nd Texas Legislature in SPA 351 and HB 2885. The function of this district was limited to the levying, collecting and distributing of property taxes to the school districts in Bexar County in those years.

## CITY OF SAN ANTONIO, TEXAS

**STATISTICAL DATA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

<u>SCHOOLS (1)</u>	<u>ALAMO COLLEGE</u>	<u>COUNTY</u>	<u>OTHER</u>
Various	\$ .11580	\$ .35046	\$ .24356
Various	.11160	.36559	.24517
Various	.11160	.37359	.24469
Various	.11000	.35143	.24469
Various	.10900	.34427	.24444
Various	.10900	.34347	.24444
Various	.11150	.34191	.24387
Various	.10690	.33946	.24387
Various	.10690	.33946	.24387
Various	.10460	.32076	.24387

**TAX LEVIES FOR LAST TEN FISCAL YEARS**

<u>SCHOOLS (2)</u>	<u>ALAMO COLLEGE</u>	<u>COUNTY</u>	<u>OTHER</u>	<u>TOTAL</u>
\$ 336,623,087	\$ 34,574,545	\$ 103,692,416	\$ 77,679,509	\$ 683,389,947
445,739,084	36,665,336	110,199,159	84,158,738	810,739,857
479,546,436	36,921,430	119,593,207	90,034,213	869,030,059
528,627,260	41,542,342	122,304,546	95,880,023	943,701,509
550,693,607	41,852,615	125,310,923	99,500,627	981,558,933
585,984,991	42,982,681	130,485,037	99,847,338	1,029,887,511
622,983,906	46,155,042	136,196,326	104,085,382	1,090,625,619
744,458,186	50,061,809	142,205,334	109,757,236	1,239,642,380
807,757,184	53,493,874	154,157,033	129,477,426	1,353,803,111
862,593,532	57,093,099	159,719,635	129,597,389	1,438,033,665

## CITY OF SAN ANTONIO, TEXAS

**STATISTICAL DATA**  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	POPULATION	NET ASSESSED VALUE (1)*	GROSS BONDED DEBT*	DEBT SERVICE FUNDS AVAILABLE*	DEBT PAYABLE FROM ENTERPRISE FUNDS (2) *	NET BONDED DEBT*	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1993	983,700	\$ 21,950,834	\$ 727,663	\$ 68,165	\$ 36,310 (3) \$	623,188	2.84%	\$ 633.51
1994	1,029,900	22,480,585	667,328	44,370	27,250	595,708	2.65%	578.41
1995	1,068,600	24,309,875	688,613	46,493	26,690	615,430	2.53%	575.92
1996	1,109,600	26,793,725	714,318	49,354	26,565	638,399	2.38%	575.34
1997	1,133,000	28,320,799	740,393	52,381	25,260	662,752	2.34%	584.95
1998	1,162,600	29,422,285	734,238	58,052	23,655	652,531	2.22%	561.27
1999	1,187,600	31,253,551	754,958	61,356	21,745	671,857	2.15%	565.73
2000	1,207,500	33,315,479	780,378	65,380	20,220	694,778	2.09%	575.39
2001	1,226,250	36,033,321	768,693	70,423	18,995	679,275	1.89%	553.94
2002	1,241,100	39,587,584	838,428	69,942	13,770	754,716	1.91%	608.10

\* Amounts expressed in Thousands

NOTES: (1) From Statistical Data Schedule titled "Assessed and Estimated Appraised Value of Taxable Property."

(2) Includes General Obligation Bonds and Certificates of Obligation being repaid from Parking Facilities.

(3) Increase due to additional debt issued as part of General Improvement Refunding Bonds, Series 1992 and Combination Tax and Certificates of Obligation, Series 1992.

**STATISTICAL DATA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**SEPTEMBER 30, 2002**

Assessed Valuations:		
Net Assessed Value		\$ 39,587,584,280
Plus Exempt Property		<u>4,532,950,812</u>
Total Assessed Value		<u>\$ 44,120,535,092</u>
Legal Debt Margin:		
Debt Limitation-10 percent of Total Assessed Value (See Note)		\$ 4,412,053,509
Debt Applicable to Limitation:		
Total Bonded Debt	\$ 838,428,108	
Less: Self-Supporting Debt:		
Debt Supplemented by Other Sources	(15,640,000)	
Assets Available for Payment of Principal in:		
Debt Service Fund	<u>(69,942,141)</u>	
Total Debt Applicable to Limitation		<u>752,845,967</u>
Legal Debt Margin		<u>\$ 3,659,207,542</u>
Bonds Authorized - Unissued *		<u>\$ 49,270,000</u>

NOTE: City Charter sets limits of Bond Indebtedness at 10% of Assessed Valuation.

\*The City has authority pursuant to an election held January 26, 1980 to issue \$16,660,000 in bonds for libraries, fire protection, drainage and flood control, and street, bridge and related improvements. The City does not currently intend to issue bonds for any of the remaining purposes authorized in 1980.

**STATISTICAL DATA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**SEPTEMBER 30, 2002**

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO THIS GVT. UNIT</u>	<u>AMOUNT APPLICABLE TO THIS GVT. UNIT</u>
Direct:			
City of San Antonio	\$ 754,715,967	100.00%	<u>\$ 754,715,967</u>
Overlapping:			
Alamo Community College District	100,676,191	80.40%	80,943,658
Alamo Heights Independent School District	37,423,319	49.28%	18,442,212
Bexar County	133,575,953	79.12%	105,685,294
Bexar County Hospital District	-0-	0.00%	-0-
Comal Independent School District	291,648,087	0.00%	-0-
East Central Independent School District	56,764,900	38.43%	21,814,751
Edgewood Independent School District	68,630,399	100.00%	68,630,399
Harlandale Independent School District	163,087,889	100.00%	163,087,889
Judson Independent School District	105,987,725	37.10%	39,321,446
Northeast Independent School District	486,089,745	87.51%	425,377,136
Northside Independent School District	507,482,599	83.87%	425,625,656
San Antonio Independent School District	548,377,617	98.96%	542,674,490
San Antonio River Authority	62,530,495	73.52%	45,972,420
South San Antonio Independent School District	85,729,590	99.73%	85,498,120
Southside Independent School District	38,851,933	14.29%	5,551,941
Southwest Independent School District	58,158,512	43.73%	<u>25,432,717</u>
Total Overlapping Net Debt			<u>2,054,058,129</u>
<u>Total Direct and Overlapping Net Debt</u>			<u>\$ 2,808,774,096</u>

**STATISTICAL DATA**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GENERAL BONDED DEBT TO TOTAL**  
**GENERAL GOVERNMENT EXPENDITURES**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL GOVERNMENT EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENT EXPENDITURES</u>
1993	\$ 15,560,000	\$ 40,998,387	\$ 56,558,387 (1)	\$ 290,949,299	19.44%
1994	59,865,000 (2)	39,750,251	99,615,251 (1)	308,158,442	32.33%
1995	18,805,000	39,203,983	58,008,983	335,588,960	17.29%
1996	24,075,000	40,144,133 (3)	64,219,133	357,274,213	17.97%
1997	27,145,000	40,382,651 (3)	67,527,651 (1)	372,939,328	18.11%
1998	31,225,000	39,436,301 (3)	70,661,301 (1)	392,705,038	17.99%
1999	36,095,000	40,000,695 (3)	76,095,695 (1)	426,983,817	17.82%
2000	40,750,000	40,837,784 (3)	81,587,784 (1)	457,509,696	17.83%
2001	43,885,000	41,575,075 (3)	85,460,075 (1)	501,548,181	17.04%
2002	66,295,000	49,091,890 (3)	115,386,890 (1)	993,259,844 (4)	11.62%

NOTE: (1) Expenditures in Debt Service Fund exclude issue costs and payment to refunded bond escrow agent.

(2) Includes principal and interest requirements on the Taxable Combination Tax and Stadium Agreement Revenue Refunding Obligations, Series 1992 composed of a November 1, 1993 regularly scheduled principal payment of \$19,070,000 plus the redemption of \$25,875,000 on July 15, 1994 which was regularly scheduled for payment in fiscal year 1995.

(3) Excludes interest payments on Hotel Occupancy Tax Revenue Bonds.

(4) Commencing in Fiscal Year 2002, expenditures were adjusted to reflect General Government amounts, which include the General Fund, Special Revenue Fund, and the Debt Service Fund.



**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUND DEBT COVERAGE**  
**AIRPORT SYSTEM REVENUE BONDED DEBT**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>GROSS REVENUES (1)</u>	<u>EXPENSES (2)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE REQUIREMENTS</u>	<u>COVERAGE</u>
1993	\$ 31,553,843	\$ 15,868,585	\$ 15,685,258	\$ 10,975,191	1.43
1994	30,835,353	17,263,678	13,571,675	9,473,986	1.43
1995	32,248,195	17,335,575	14,912,620	9,413,772	1.58
1996	35,426,390	19,593,232	15,833,158	9,454,783	1.67
1997	35,897,243	18,874,441	17,022,802	11,570,093	1.47
1998	37,134,969	19,469,337	17,665,632	11,669,744	1.51
1999	38,128,184	21,449,007	16,679,177	11,957,544	1.39
2000	41,579,509	21,588,034	19,991,475	11,965,869	1.67
2001	42,928,794	23,612,635	19,316,159	11,960,544	1.61
2002	42,377,654	22,296,698	20,080,956	13,441,791	1.49

NOTES: (1) Revenues consist of Operating Revenue plus Nonoperating Revenues (excluding Federal Contributions and Consignment Sales).

(2) Expenses consist of Operating Expenses plus Nonoperating Expenses (excluding Depreciation, Loss on Disposal of Fixed Assets, Interest on Debt Expense and Extraordinary Items).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUND DEBT COVERAGE**  
**PARKING FACILITIES GENERAL IMPROVEMENT BONDED DEBT**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>GROSS REVENUES (1)</u>	<u>EXPENSES (2)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE REQUIREMENTS</u>	<u>COVERAGE</u>
1993	\$ 5,044,605	\$ 3,034,923	\$ 2,009,682	\$ 1,483,502	1.35
1994	5,271,883	3,377,531	1,894,352	1,230,934	1.54
1995	6,491,317	3,866,105	2,625,212	1,428,136	1.84
1996	7,109,327	4,257,742	2,851,585	1,661,544	1.72
1997	7,124,200	4,236,062	2,888,138	1,716,514	1.68
1998	7,126,636	4,539,211	2,587,425	1,930,171	1.34
1999	7,786,796	5,093,349	2,693,447	2,163,143	1.25
2000	7,632,443	5,241,523	2,390,920	2,477,770	0.96
2001	8,364,904	4,949,441	3,415,463	3,082,075	1.11
2002	8,093,994	5,628,930	2,465,064	3,374,377	0.73

- NOTES: (1) Revenues consist of Operating Revenues plus Nonoperating Revenues (excluding Gain on Disposal of Fixed Assets and Interest Income in the Construction Fund).
- (2) Expenses consist of Operating Expenses plus Nonoperating Expenses (excluding Depreciation, Loss on Disposal of Fixed Assets and Interest on Debt Expense).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUND DEBT COVERAGE**  
**ENVIRONMENTAL SERVICES DEBT**  
**LAST TEN FISCAL YEARS (3)**

<u>FISCAL YEAR ENDED</u>	<u>GROSS REVENUES (1)</u>	<u>EXPENSES (2)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE REQUIREMENTS</u>	<u>COVERAGE</u>
1993	\$ 29,648,690	\$ 25,518,931	\$ 4,129,759	\$ 0	0
1994	33,424,384	32,105,595	1,318,789	82,306	16.02
1995	35,875,280	30,290,049	5,585,231	452,305	12.35
1996	38,760,380	32,943,474	5,816,906	442,880	13.13
1997	36,528,803	35,398,013 (4)	1,130,790	449,200	2.52
1998	37,178,902	34,640,088	2,538,814	449,000	5.65
1999	39,835,646	38,414,716	1,420,930	452,400	3.14
2000	41,444,685	41,168,905	275,780	0	0
2001	42,027,420	44,429,392	(2,401,972)	0	0
2002	46,983,025	46,420,710	562,315	0	0

- NOTES:
- (1) Revenues consist of Operating Revenues plus Nonoperating Revenues (excluding Gain on Disposal of Fixed Assets and Interest Income in the Construction Fund).
  - (2) Expenses consist of Operating Expenses plus Nonoperating Expenses (excluding Depreciation, Loss on Disposal of Fixed Assets and Interest on Debt Expense).
  - (3) Environmental Service Debt Service Fund established FY 1993.
  - (4) Excludes Nonoperating Expenses related to a Capital Project.

**STATISTICAL DATA**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION (1)	PER CAPITA INCOME (1)	MEDIAN AGE (1)	EDUCATION LEVELS IN YEARS OF FORMAL SCHOOLING (1)	SCHOOL ENROLLMENT (2)	UNEMPLOYMENT RATE (3)
1993	983,700	12,450	30.6	13.7	231,728	6.1%
1994	1,029,900	15,300	30.7	13.7	238,048	5.2%
1995	1,068,600	16,700	30.9	13.7	237,348	5.3%
1996	1,109,600	18,200	31.0	13.7	240,676	4.1%
1997	1,133,000	18,600	31.7	13.8	245,812	4.1%
1998	1,162,600	19,500	32.1	13.9	245,946	4.3%
1999	1,187,600	19,770	32.2	13.9	247,471	3.8%
2000	1,207,500	19,950	32.5	13.9	262,567	4.0%
2001	1,226,250	20,200	31.8	13.9	267,184	4.1%
2002	1,241,100	19,300	32.0	14.0	270,025	5.1%

NOTES: (1) Source: Planning Department, City of San Antonio, Texas.

(2) Individual School Districts Annual Census.

(3) Texas Workforce Commission.

**STATISTICAL DATA**  
**PROPERTY VALUE AND CONSTRUCTION**  
**LAST TEN FISCAL YEARS**  
(Dollar amounts expressed in Thousands)

FISCAL YEAR	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		NET ASSESSED VALUE (2)
	PERMITS (1) (3)	VALUE (1) *	PERMITS (1)	VALUE (1) *	
1993	\$ 8,388	\$ 368,580	6,714	\$ 228,392	\$ 21,950,835
1994	9,067	354,986	8,083	370,125	22,480,585
1995	8,022	409,359	8,152	328,643	24,309,875
1996	7,581	510,336	9,242	355,228	26,793,725
1997	7,273	559,023	8,243	314,140	28,320,799
1998	7,540	962,383	8,891	400,151	29,422,285
1999	8,990	894,587	9,999	533,100	31,253,551
2000	9,686	904,295	9,647	528,807	33,315,479
2001	7,837	1,108,770	10,542	567,077	36,033,321
2002	12,646	939,264	10,910	605,120	39,587,584

\* Amounts expressed in Thousands

- NOTES: (1) Source: Departments of Building Inspection and Zoning, City of San Antonio, Texas.
- (2) Source: Finance Department, City of San Antonio, Texas.
- (3) Certificates of Occupancy are included with permits, the certificates have no monetary value.

**STATISTICAL DATA**  
**PRINCIPAL TAXPAYERS**  
**SEPTEMBER 30, 2002**

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>PRINCIPAL TAXPAYER TAXABLE VALUATION</u>	<u>PERCENTAGE TO NET TAXABLE VALUATION</u>
Southwestern Bell Telephone Company	Telecommunications	\$ 529,259,520	1.34%
H.E. Butt Grocery Stores	Retail/Grocery	473,694,380	1.20%
United Services Automobile Association	Insurance/Banking/Real Estate	289,769,460	0.73%
Marriott Corporation	Hotels	171,189,180	0.43%
Wal-Mart Stores, Inc.	Retail/Grocery	156,567,290	0.40%
Humana/Methodist Healthcare System	Hospital/Healthcare Provider	145,805,950	0.37%
Philips Semiconductors Inc	Manufacturing/Semi-Conductors	121,379,360	0.31%
Time Warner	Cable Television	113,601,500	0.29%
Hyatt Regency	Hotels	113,001,120	0.29%
Simon Property Group (Texas)	Shopping Centers	111,567,070	0.28%
<u>TOTALS</u>		<u>\$ 2,225,834,830</u>	<u>5.64%</u>

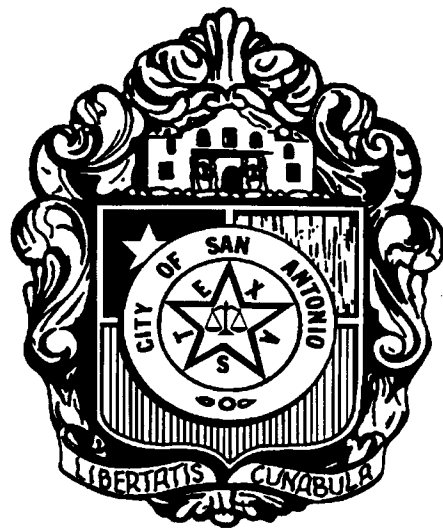
STATISTICAL DATA  
SPECIAL ASSESSMENTS LEVY AND COLLECTIONS  
SEPTEMBER 30, 2002

FISCAL YEAR ENDED	TAX ROLL YEAR	SPECIAL ASSESSMENTS LEVY (1)	CURRENT SPECIAL ASSESSMENTS COLLECTED	PERCENT OF CURRENT ASSESSMENTS COLLECTED	OUTSTANDING CURRENT YEAR LEVY	DELINQUENT TAX COLLECTIONS (3)	DELINQUENT TAX ADJUSTMENTS/ CANCELLATIONS	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES COLLECTED	TOTAL SPECIAL ASSESSMENTS COLLECTED
1994	1993	\$ 706,768	\$ 693,298	98.09%	\$ 13,470	\$ 15,033	\$ (3,934)	\$ 37,526	38.46%	\$ 708,331
1995	1994	746,618	718,410	96.22%	28,208	18,506	(10,478)	37,187	67.33%	736,916
1996	1995	762,068	753,941	98.93%	8,127	8,848	(16,101)	20,365	41.96%	762,789
1997	1996	708,103	706,283	99.74%	1,820	9,452	(5,844)	6,889	65.09%	715,735
1998	1997	733,830	728,148	99.23%	5,682	(1,007)	(4,919)	8,658	-51.09%	727,142
1999	1998	761,909	736,533	96.67%	25,376	(5,015)	(6,744)	32,304	-61.96%	731,518
2000	1999	1,966,307 (2)	1,958,774	99.62%	7,533	11,285	(8,869)	15,282	48.15%	1,970,059
2001	2000	1,216,971 (2)	1,186,429	97.49%	30,542	2,785	(310)	1,926	56.24%	1,189,214
2002	2001	1,182,348 (2)	1,168,584	98.84%	13,764	21,659	(3,201)	13,518	66.71%	1,190,243

NOTES: (1) Assessment District was established by City Resolution dated November 20, 1986. The final Levy was assessed in Fiscal Year 2000.

(2) Public Improvement District was established by Ordinance No. 89696, approved by City Council on April 29, 1999.

(3) Interest is excluded.





**STATISTICAL DATA**  
**MISCELLANEOUS STATISTICAL DATA**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

Date of Incorporation	December 14, 1837
Date of Adoption of City Charter	October 2, 1951
Form of Government	Council-Manager
Area	430.19 square miles
Miles of Sewer:	
Storm	383.2
Sanitary	4,955
Building Permits:	
Permits Issued	23,556
Estimated Cost	\$1,544,383,146
Fire Protection and Emergency Medical Services:	
Number of Fire Stations	48
Number of EMS Units	25
Number of EMS Paramedics	323
Number of Firefighters	1,085
Police Protection:	
Number of Stations	6
Number of Police Officers	1,977
Number of School Crossing Guards	256
Recreation:	
Parks Acreage	13,867
Number of Parks and Recreation Areas over One Acre	187
Number of Municipal Golf Courses	6
Number of Municipal Swimming Pools	23
Number of Recreation Centers - All Year	26
Number of Recreation Centers - Summer	74
Sewer Service:	
Number of Sewer Customers	329,452
Estimated Number of Persons Served	1,231,396
Water Service:	
Number of Water Customers	299,461
Estimated Number of Persons Served	1,134,949

**STATISTICAL DATA**  
**MISCELLANEOUS STATISTICAL DATA**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2002**

**Education:**

(Twelve School Districts Wholly or Partly  
Within San Antonio City Limits)

Number of Schools	381
Number of Teachers	18,847
Number of Students Registered	270,025
Average Daily Attendance	255,544

**City Employees:****Unclassified:**

Regular	114
Part-time (Annual)	8
Temporary	2,139
Part-time	801

**Classified:**

Regular	9,857
Other	112

Total	13,031
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**Election:**

Registered Voters	680,236 (2)
Number of Votes Cast Last City Regular Election	100,313 (2)
Percentage of Registered Voters voting	14.70% (2)

**Population**

		Increase
1900	53,321	-----
1910	96,614	81.2%
1920	161,379	67.0%
1930	231,543	43.5%
1940	253,854	9.6%
1950	408,442	60.9%
1960	587,718	43.9%
1970	654,153	11.3%
1980	786,023	20.2%
1990	938,900	19.4%
2000	1,207,500	28.6%
2002	1,241,100 (1)	2.8%

NOTE: Source of this information is the Bureau of Census

(1) Estimate By City of San Antonio, Texas, Planning Department, as of September 30, 2002.

(2) Information taken from last City Election held May, 2001.

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**AIRPORT SYSTEM**  
**SEPTEMBER 30, 2002**

**AIRPORT SYSTEM PROPERTIES**

Type of Policy: Property Insurance - Protected Self-Insurance Program  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3001470  
Policy Period : December 31, 2001 to December 31, 2002

\$500,000 per occurrence deductible  
Maximum Limits: \$1,262,000,000 (Subject to certain exclusions)

Type of Policy: Property Insurance - Boiler and Machinery Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3001470  
Policy Period : December 31, 2001 to December 31, 2002

\$10,000 any one loss deductible  
Maximum Limits: \$50,000,000 per accident (Subject to certain exclusions)

Type of Policy: Crime Policy (Blanket Dishonesty and 3-D Policy)  
Insurance Co.: Great American Insurance Company  
Policy No. : GVT2687625  
Policy Period : October 1, 2001 to October 1, 2004

Employee Dishonesty:	Limit	\$1,000,000	Deductible	\$10,000*
Forgery and Alteration:	Coverage	\$100,000	Deductible	\$2,500*
Theft, Disappearance, Destruction:	Cash	\$150,000	Deductible	\$5,000*

\* Subject to certain exclusions

This policy insures the City against loss or destruction of monies and securities, and damage to property as the result of a safe robbery or holdup, when the loss is caused by other than a City employee. Covers loss caused by any fraudulent or dishonest act or acts committed by any City employee(s).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**AIRPORT SYSTEM**  
**SEPTEMBER 30, 2002**

**AIRPORT SYSTEM PROPERTIES (Continued)**

Type of Policy:	Airport Liability
Insurance Co.:	Westchester Fire Insurance Co
Policy No. :	ACN670374
Policy Period :	March 31, 2002 to March 31, 2003

\$10,000 per occurrence deductible, any one loss, \$100,000 aggregate per year

Maximum Limits:	\$10,000,000 (Subject to certain exclusions and limits)
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Type of Policy:	Aircraft Hull & Liability
Insurance Co.:	Westchester Fire Insurance Co
Policy No. :	ACN670374
Policy Period :	March 31, 2002 to March 31, 2003

Maximum Limits: \$10,000,000 per occurrence (Subject to certain exclusions and limits)

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**PARKING SYSTEM**  
**SEPTEMBER 30, 2002**

**PARKING FACILITIES PROPERTIES**

Type of Policy: Property Insurance - Protected Self-Insurance Program  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3001470  
Policy Period : December 31, 2001 to December 31, 2002

\$500,000 per occurrence deductible

Maximum Limits: \$1,262,000,000 (Subject to certain exclusions)

Type of Policy: Property Insurance - Boiler and Machinery Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3001470  
Policy Period : December 31, 2001 to December 31, 2002

\$10,000 any one loss deductible

Maximum Limits: \$50,000,000 per accident (Subject to certain exclusions)

Type of Policy: Crime Policy (Blanket Dishonesty and 3-D Policy)  
Insurance Co.: Great American Insurance Company  
Policy No. : GVT2687625  
Policy Period : October 1, 2001 to October 1, 2004

Employee Dishonesty:	Limit	\$1,000,000	Deductible	\$10,000*
Forgery and Alteration:	Coverage	\$100,000	Deductible	\$2,500*
Theft, Disappearance, Destruction:	Cash	\$150,000	Deductible	\$5,000*

\* Subject to certain exclusions

This policy insures the City against loss or destruction of monies and securities, and damage to property as the result of a safe robbery or holdup, when the loss is caused by other than a City employee. Covers loss caused by any fraudulent or dishonest act or acts committed by any City employee(s).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**PARKING SYSTEM**  
**SEPTEMBER 30, 2002**

**PARKING FACILITIES PROPERTIES (Continued)**

Type of Policy:	Excess General Liability and Workers' Compensation
Insurance Co.:	North River Insurance Company
Policy No. :	544000016-7
Policy Period :	December 31, 2001 to December 31, 2002
\$500,000 per occurrence deductible, any one loss	
Maximum Limits:	\$4,500,000 (Subject to certain exclusions)

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**ENVIRONMENTAL SERVICES**  
**SEPTEMBER 30, 2002**

**ENVIRONMENTAL SERVICES PROPERTIES**

Type of Policy: Property Insurance - Protected Self-Insurance Program  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3001470  
Policy Period : December 31, 2001 to December 31, 2002

\$500,000 per occurrence deductible  
Maximum Limits: \$1,262,000,000 (Subject to certain exclusions)

Type of Policy: Property Insurance - Boiler and Machinery Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3001470  
Policy Period : December 31, 2001 to December 31, 2002

\$10,000 any one loss deductible  
Maximum Limits: \$50,000,000 per accident (Subject to certain exclusions)

Type of Policy: Crime Policy (Blanket Dishonesty and 3-D Policy)  
Insurance Co.: Great American Insurance Company  
Policy No. : GVT2687625  
Policy Period : October 1, 2001 to October 1, 2004

Employee Dishonesty:	Limit	\$1,000,000	Deductible	\$10,000 *
Forgery and Alteration:	Coverage	\$100,000	Deductible	\$2,500 *
Theft, Disappearance, Destruction:	Cash	\$150,000	Deductible	\$5,000 *

\* Subject to certain exclusions

This policy insures the City against loss or destruction of monies and securities, and damage to property as the result of a safe robbery or holdup, when the loss is caused by other than a City employee. Covers loss caused by any fraudulent or dishonest act or acts committed by any City employee(s).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**ENVIRONMENTAL SERVICES**  
**SEPTEMBER 30, 2002**

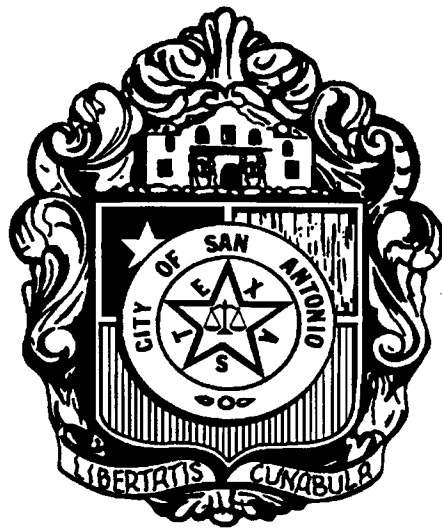
ENVIRONMENTAL SERVICES PROPERTIES (Continued)

Type of Policy:	Excess General Liability and Workers' Compensation
Insurance Co.:	North River Insurance Company
Policy No. :	544000016-7
Policy Period :	December 31, 2001 to December 31, 2002

\$500,000 per occurrence deductible, any one loss

Maximum Limits:	\$4,500,000 (Subject to certain exclusions)
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City of San Antonio, Texas